



AGREEMENT

BETWEEN

AIR CANADA

AND

THE AIR CANADA PILOTS ASSOCIATION

Effective April 1, 2011 – April 1, 2016

Amendments

Amendment	Date	Articles Amended
ORIGINAL	July 30, 2012	-
1	December 5, 2012	Article 20, LOU 74 & LOU 75

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Table of Contents

ARTICLE 1 – RECOGNITION & SCOPE..... 1

- 1.01 Recognition 1
- 1.02 Scope..... 1
- 1.03 Definitions 1
- 1.04 Employment Security 3
- 1.05 Merger or Change of Control..... 3
- 1.06 Divestiture and Successorship 4
- 1.07 Single Employer Obligations / Separate Entities 4
- 1.08 Codesharing..... 4
- 1.09 Joint Ventures 6
- 1.10 Capacity Purchase Agreement (CPA) Tier 2 and Tier 3 Carriers..... 7
- 1.11 Specialty Companies..... 8
- 1.12 Wet Leasing..... 8
- 1.13 Franchise Arrangements 9
- 1.14 Pilot Crew Interchange..... 9
- 1.15 Realignment of Routes and Aircraft Purchase 9
- 1.16 Scope Committee and Information..... 9
- 1.17 Interpretation..... 10

ARTICLE 2 – DEFINITIONS 11

- 2.01.01 ½ Day ½ Night (DN) 11
- 2.01.02 Active Pilot 11
- 2.01.03 Allowable Voluntary Overtime (AVO) 11
- 2.01.04 AVO Threshold..... 11
- 2.01.05 AVO Maximum..... 11
- 2.01.06 APOS 11
- 2.01.07 Augmentation Pilot 11
- 2.01.08 Base..... 11
- 2.01.09 Bid Award..... 11
- 2.01.10 Block 11
- 2.01.11 Block Credit 11
- 2.01.12 Blockholder 11
- 2.01.13 Block Period 11
- 2.01.14 Block Recovery 11
- 2.01.15 Captain (CA) 11
- 2.01.16 CARS 11
- 2.01.17 Check Pilot (CP) 12
- 2.01.18 Chief Pilot 12
- 2.01.19 Closing Time 12
- 2.01.20 Daily Average Earnings (DAE) 12
- 2.01.21 Daily Standard Credit (DSC) 12
- 2.01.22 Day Flying 12
- 2.01.23 Designated Block Maximum (DBM) 12
- 2.01.24 Domestic Operations..... 12
- 2.01.25 DPG 12
- 2.01.26 Draft..... 12
- 2.01.27 First Officer (FO) 12
- 2.01.28 Flight Instructor (FI) 12
- 2.01.29 Flying Pay 12
- 2.01.30 Flight Time 12
- 2.01.31 Gender 12
- 2.01.32 Initial Operating Experience Training Captain (IOETC) 12
- 2.01.33 Long Range Flying 12
- 2.01.34 Make-Up..... 12
- 2.01.35 Management Pilot (MP) 12
- 2.01.36 Minimum Block Guarantee (MBG)..... 12

2.01.37 Night Flying.....	12
2.01.38 Operational Delays	13
2.01.39 Optional 24 or 48	13
2.01.40 Overseas Operations	13
2.01.41 Pilot.....	13
2.01.42 Pilot on Reserve.....	13
2.01.43 Position	13
2.01.44 Pre-selection.....	13
2.01.45 Project Pilot (PP)	13
2.01.46 QPOS	13
2.01.47 Relief Pilot (RP)	13
2.01.48 Reserve Block.....	13
2.01.49 Reserve Off-Duty Days:.....	13
2.01.49.01 Guaranteed (G) Day	13
2.01.49.02 Tentative (T) Day	13
2.01.49.03 Optional (O) Day	13
2.01.50 Service as a Pilot.....	13
2.01.51 Sick Hold.....	13
2.01.52 Status.....	13
2.01.53 Stick Time	13
2.01.54 System Seniority.....	13
2.01.55 Time Periods in the Collective Agreement.....	13
2.01.56 Time Away from Base (TAFB).....	13
2.01.57 TTG.....	13
ARTICLE 3 – DURATION AND EFFECTIVE DATE.....	14
ARTICLE 4 – SENIORITY	15
4.01 Establishing Seniority Date	15
4.02 Application of Seniority	15
4.03 Pilots’ System Seniority List.....	15
4.04 Management Pilots	16
ARTICLE 5 – PROBATION	17
5.01 General.....	17
ARTICLE 6 – FLIGHT SAFETY	18
6.01 Accident and Incident Investigation.....	18
6.02 Representation During Accident Investigation	18
6.03 Aircraft Electronic Recording & Reporting Devices	18
6.04 Flight Data Analysis (FDA).....	19
6.05 Flight Crew Report (FCR) Distribution.....	20
ARTICLE 7 – DISPUTE RESOLUTION.....	21
7.01 ACPA Representation.....	21
7.02 Personnel Records	21
7.03 Grievance Procedure – General, Discipline or Discharge.....	21
7.04 Grievance Procedure – Discipline or Dismissal.....	21
7.05 Grievance Procedure – Process	22
7.06 Grievance Procedure – Time Limits	22
7.07 Grievance Procedure – Rights and Obligations	22
7.08 Arbitration – General.....	22
7.09 Arbitrator’s Jurisdiction and Procedures Authority	22
7.10 Arbitrator’s Authority	23
7.11 Obligations	23
7.12 Expedited Arbitration.....	23
7.13 Pay Claims Procedures	24

7.14	Pay Claims Awarded to ACPA	24
7.15	Flight Awarding Error.....	24
7.16	Joint Onerous Pairing Evaluation Committee (JOPEC)	24
7.17	Onerous Pairing Resolution Procedure.....	25
7.18	Window of Circadian Low (WOCL).....	26
7.19	Disputed Pairing Resolution Procedure.....	26
ARTICLE 8 – LEAVE OF ABSENCE.....		27
8.01	General	27
8.02	Bereavement Leave/Leave for Compassionate Care.....	27
8.03	Residual Rights from Special Leave of Absence Programs (LOU 68).....	27
8.04	Voluntary Block Reduction (VBR).....	27
ARTICLE 9 – FURLOUGH AND SEVERANCE.....		29
9.01	Furlough.....	29
9.02	Furlough Pay	29
9.03	Recall	29
9.04	Severance Pay.....	30
ARTICLE 10 – ADMINISTRATION AND COMPANY/ASSOCIATION INTERACTION		31
10.01	Issuance of Agreement	31
10.02	Check-off ACPA Dues.....	31
10.03	Pilot Information	32
10.04	Personnel Records.....	32
10.05	Hold-Harmless Clause.....	32
10.06	Liability for Costs	32
10.07	Communication with the Company.....	32
10.08	Telephone Monitoring System.....	32
10.09	ACPA Duty Release.....	33
10.10	ACPA / Management Headquarters Committee (AMHQ)	35
10.11	New Equipment	35
ARTICLE 11 – SUPERVISORY FLYING		36
11.01	Supervisory Flying Allotment.....	36
11.02	Check Pilot, Flight Instructor and Project Pilot.....	36
11.03	Check Pilots	36
11.04	Flight Instructor and Project Pilot.....	37
ARTICLE 12 – PAY RATES		38
12.01	Pay Progression.....	38
12.02	Accredited Service.....	38
12.03	Fixed Rate.....	38
12.04	Formula Pay	38
ARTICLE 13 – PAY PROVISIONS		42
13.01	Pay Advances	42
13.02	Calculation of Individual Pay	42
13.03	Flight Time and Block Growth.....	42
13.04	Minimum Block Guarantee (MBG).....	42
13.05	Miscellaneous and Exceptions.....	43
13.06	MBG Pro-Rate Formula:.....	43
13.07	Minimum Pay – Fail to Fly	44
13.08	Overtime Premium.....	44
13.09	Draft Premium.....	44
13.10	Flights Overlapping Block Periods.....	44
13.11	Operating as Augmentation Pilot or Out of Status	44
13.12	CP, FI and PP Premium.....	44

13.13	Initial Operational Experience Training Captain (IOETC)	45
13.14	Training Pay	45
13.15	Duty Period Guarantee (DPG) and Trip Time Guarantee (TTG)	46
13.16	Retired Equipment	46
ARTICLE 14 – BANK PLAN		47
14.01	Bank Credits and Debits	47
14.02	Negative Bank	47
14.03	Prorated DBM for Bank Action Purposes	48
14.04	Vacation Extension Using Positive Bank Credits	48
ARTICLE 15 – INSURANCE, MEDICAL, AND DENTAL		49
15.01	General	49
15.02	Group Insurance	49
15.03	Supplemental Health Plan	49
15.04	Medical Services for Non-Residents	50
15.05	Dental Plan	50
15.06	Company Insurances in War Zones	51
15.07	Missing and Internment Benefits	51
ARTICLE 16 – GROUP DISABILITY INCOME PLAN – PILOTS		53
16.01	General	53
16.02	Covered Earnings for the Calculation of Benefits	53
16.03	Disabilities Covered by the Plan	53
16.04	Disabilities Not Covered by the Plan	54
16.05	Suspension/Reinstatement of Coverage	54
16.06	Termination of Coverage	55
16.07	Claims Procedure	55
16.08	Benefits	56
16.09	Waiver of Premiums for Other Plans	58
16.10	Disability Income Plan Advisory Committee	58
16.11	Medical Board – Selection and Duties	59
16.12	Correspondence about the Plan	59
ARTICLE 17 – PENSION		60
17.01	Air Canada Pilot Pension Plan	60
17.02	CAL Pilot Pension Plan	67
ARTICLE 18 – EXPENSES		75
18.01	General	75
18.02	Allowances	75
18.03	Meals and Accommodations Standards Committee (MASC)	76
18.04	Pilot Crew Meal Guidelines	77
18.05	Training	78
18.06	Licensing Fees	78
18.07	Moving Expenses	78
18.08	Uniforms	79
ARTICLE 19 – VACATION		80
19.01	General	80
19.02	Entitlement	80
19.03	Bidding	81
19.04	Optional 24 or 48	82
19.05	Pilots Returning from GDIP	83
19.06	Deferment	83
19.07	Vacation Pay and Credits	83
19.08	Retirement	83

ARTICLE 20 – PILOT POSITION ASSIGNMENT	84
20.01 Categories and Groups	84
20.02 Active Pilot	84
20.03 Crew Manning Steering Committee Review	84
20.04 Standing Preferential Bid (SPB)	85
20.05 Bidding Rights	85
20.06 Reinstatement Rights (RIR)	86
20.07 Vacancies and Reductions	87
20.08 Awarding Vacancies and Reductions	87
20.09 Pay & Training	88
20.10 Base Transfer.....	89
20.11 Compassionate Transfer.....	89
20.12 Inactive Pilots	90
20.13 Return from Inactive Status.....	90
20.14 Base Exchange.....	91
20.15 Introduction of New Equipment	91
20.16 New Hire Pilot	91
ARTICLE 21 – TRAINING	92
21.01 Administration	92
21.02 Failure Handling Procedures	94
21.03 Captain Upgrade Training	95
21.04 Relief Pilot to First Officer Initial Upgrade.....	95
21.05 Career Re-Orientation Plan	96
ARTICLE 22 – SCHEDULING PREAMBLE.....	97
ARTICLE 23 – DEADHEAD AND PILOT TRAVEL	98
23.01 Deadhead Movements	98
23.02 Training	99
23.03 Base Transfers.....	99
23.04 Company Paid Moves	99
ARTICLE 24 – CREW REST FACILITIES	100
24.01 Crew Rest Definitions.....	100
24.02 General	100
24.03 Aircraft.....	100
24.04 Introduction of New Aircraft.....	101
ARTICLE 25 – PAIRING RULES.....	102
25.01 Duty Period Start and End.....	102
25.02 North American Zone.....	102
25.03 Planned Flight Duty Period Limitations.....	103
25.04 Planned Rest Periods – Layover.....	103
25.05 Planned Rest periods – Home Base.....	103
25.06 Operating Rules	112
25.07 Airport Stop Over of 5 Hours or More.....	112
25.08 Rest Periods-Operating Rules.....	112
ARTICLE 26 – BLOCK RULES	114
26.01 Scheduled Pairings	114
26.02 Flights Overlapping Calendar Days and Block Period End.....	114
26.03 Flight Time Limitations	114
26.04 Designated Block Maximum (DBM)	114
26.05 Allowable Voluntary Overtime (AVO)	114
26.06 Legalities	115

ARTICLE 27 – PBS AWARDS	118
27.01 Preferential Bidding System (PBS)	118
27.02 Pre-Bid Considerations and Start Credits	118
27.03 Vacation Extension Using Positive Bank Credits – PBS	118
27.04 Vacation Extension – Optional 24 or 48.....	118
27.05 Bidding Eligibility	119
27.06 Preparation and Bidding	119
27.07 Awarding Simulator and ART	120
27.08 Awarding and Assigning of OEs and QOEs	120
27.09 Assignment of IOE	120
27.10 Introduction of New Fleet Type.....	122
27.11 New Fleet Training and/or Checking Requirements:.....	122
27.12 Awarding Order.....	122
27.13 Off-Duty Periods – Blockholders.....	123
27.14 Primary Constraints	123
27.15 PBS Optimizer Version ‘C’	123
27.16 PBSC Authority to Modify Blocking Parameters.....	125
27.17 PBS Mis-Awards	126
27.18 PBSC Displacements.....	127
27.19 Miscellaneous	127
ARTICLE 28 – OPEN TIME AWARDS	128
28.01 Open Time	128
28.02 Awarding Open Time	129
28.03 Open Flying After Normal Award Time	131
28.04 15 Minute Connection Rule.....	132
28.05 Short Call	132
28.06 Miscellaneous Awards	132
28.07 Procedure for Completing Simulator Crew Complement.....	132
ARTICLE 29 – RESERVE	134
29.01 Planned Off-Duty Periods	134
29.02 Replacement of Off-Duty Periods	135
29.03 Operating into/on Off-Duty Periods.....	135
29.04 Reserve Duty.....	136
29.05 Standby at the Home Base Airport.....	136
29.06 Reserve Availability List.....	137
29.07 Open Time Procedures Due Illness.....	137
29.08 Serving Out of Status	137
29.09 Limitation on Reserve Assignment between 00:00 and 06:00.....	137
29.10 Reserve Call-In	138
29.11 Scheduling of Reserves.....	138
29.12 Reserve Release.....	138
29.13 “A” and “B” Reserve.....	138
29.14 Reserve Time Balancing.....	139
29.15 Reserve Displacement or Removal.....	139
29.16 Periodic Training for Pilots on Reserve.....	140
29.17 On Completion of Training or Return from LOA/GDIP	140
ARTICLE 30 – DRAFT	141
30.01 Draft Flying	141
30.02 Move-Up	141
30.03 One-Way Assignment.....	141
30.04 Extension of Operations.....	141
30.05 Unscheduled Re-routing.....	141
30.06 Drafting Procedure – Home Base.....	142
30.07 Drafting Once a Pairing Has Started.....	142
30.08 Draft – Administration of Flying Pay and Flight Time Credits	142

30.09	Draft Premium.....	143
ARTICLE 31 – SICK LEAVE.....		144
31.01	General	144
31.02	Sick Leave Entitlement.....	144
31.03	Book-off Procedures.....	144
31.04	Booking Back On.....	144
31.05	Sick Leave Charges.....	145
31.06	Sick Leave Calculation.....	145
31.07	Sick Pay	145
31.08	No Sick Days Left.....	146
31.09	Foreign Operations.....	146
31.10	Sick Days and GDIP.....	146
31.11	Physical Examination	146
ARTICLE 32 – PAY PROTECTION AND PAIRING INTEGRITY.....		148
32.01	Pairing Integrity	148
32.02	Pay Protection.....	148
32.03	Application of Pairing Integrity and Pay Protection.....	148
32.04	Reassignment Application.....	149
32.05	Reassignment Procedures – Open Time.....	149
ARTICLE 33 – DISPLACEMENT AND REMOVAL.....		151
33.01	Exchange or Release from Block Flights.....	151
33.02	Removal and Displacement.....	151
33.03	Complete/Partial Pairing Displacement.....	151
33.04	Reserve Displacement – see Art 29.15.....	151
33.05	Removal from Training.....	152
33.06	Removal from a Block.....	152
33.07	Fatigue Drop-No-Credit	152
33.08	Switching F/O and Augment Pilot Assignments	152
ARTICLE 34 – LETTERS		153
34.01	Letters of Understanding.....	153
34.02	Letters of Commitment	154
34.03	Appendices	156

ARTICLE 1 – RECOGNITION & SCOPE

1.01 Recognition

1.01.01 The Air Canada Pilots Association has furnished to the Company evidence that a majority of the Air Line Pilots employed by the Company have designated ACPA to represent them and in their behalf negotiate Agreements with the Company as to hours of service, wages, and other employment conditions covering all Air Canada Pilots.

This Agreement contemplates that Pilots will devote their entire professional flying in the service of the Company.

1.02 Scope

1.02.01 All Pilot Positions and all flying performed by or on behalf of the Company or its Affiliates, including all flying utilizing the Company IATA designator code (AC or ACA) or future similar designator code will be occupied and performed by Air Canada Pilots exclusively in accordance with the terms and conditions of this agreement.

Such Company flying will include, without limitation, all revenue, non-revenue, scheduled, unscheduled, passenger, cargo, placement, ferry, charter, scheduled charter, sports charter, training, maintenance test flights and publicity flights.

1.02.02 The provisions of 1.02.01 do not apply to:

1.02.02.01 Delivery flights of Air Canada aircraft where one crew member may be a pilot representing the vendor, lessor, lessee or purchaser of the aircraft.

1.02.02.02 Maintenance Test flights where one or more crew members may be a pilot representing the manufacturer of the aircraft or systems being tested.

1.02.02.03 Public Demonstration Flights (e.g. The Paris Air Show) where the local laws prohibit Air Canada Pilots from performing the flying.

1.02.02.04 Charity flights (non revenue) flown by Air Canada Pilots on a voluntary basis (e.g. Dreams Take Flight).

1.02.02.05 The other exceptions agreed herein.

1.03 Definitions The following definitions apply for the purpose of Article 1:

1.03.01 Air Canada (AC or ACA) or the Company means the combined operations of Air Canada and its Affiliates as they are currently constituted or as they may be constituted or replaced in the future.

1.03.02 Air Canada Pilot means a Pilot who holds a Position on the Air Canada Pilots System Seniority List as provided within this Collective Agreement.

1.03.03 Affiliate means any entity incorporated in Canada or operating aircraft in Canada that controls the Company or that the Company controls and any Specialty Company.

1.03.04 **Aircraft categories:**

1.03.04.01 Jet Aircraft means any aircraft utilizing a jet, turbojet, fan-jet, geared fan, ductless fan, or equivalent engine.

1.03.04.02 Propeller Aircraft means any aircraft that uses propellers, however driven, to provide thrust. Propellers refer only to standard propellers as the term is commonly understood.

1.03.04.03 Small Propeller Aircraft (SPA) means a propeller aircraft with a maximum certified seating capacity of 23 seats or less.

- 1.03.04.04 Medium Propeller Aircraft (MPA) means a propeller aircraft with a maximum certified seating capacity in excess of 23 seats but not more than eighty 80 seats.
- 1.03.04.05 Small Jet Aircraft (SJA) means a jet aircraft with a maximum certified seating capacity of 55 seats or less.
- 1.03.04.06 Medium Jet Aircraft (MJA) means a jet aircraft with a maximum certified seating capacity in excess of 55 seats but not more than 90 seats.
- 1.03.04.07 Narrow Body Jet Aircraft (NJA) means a jet aircraft with a maximum certified seating capacity in excess of 90 seats in a single aisle configuration.
- 1.03.04.08 Wide Body Jet Aircraft (WJA) means a jet aircraft with a maximum certified seating capacity in excess of 90 seats in a twin aisle configuration.
- 1.03.05 ASM means Available Seat Mile. For the purpose of calculating ASM ratios or differences in ASMs, Air Canada ASMs will exclude ASMs attributed to Affiliates.
- 1.03.06 A Change of Control is deemed to have occurred when an entity which previously did not Control Air Canada establishes Control over Air Canada.
- 1.03.07 Control means that one entity will be considered to “control” another entity (Entity B), only if it, whether directly or indirectly:
- 1.03.07.01 owns or has the ability to vote securities, other than by way of proxy, that constitute, are exercisable for or convertible into more than: (i) 50% of Entity B’s outstanding common shares, or if shares in addition to common shares have voting power then (ii) 50% of the voting power of all outstanding securities of Entity B entitled to vote generally for the election of members of Entity B’s Board of Directors or similar governing body; or
- 1.03.07.02 maintains the power or right to manage or direct the management of all or substantially all of Entity B’s air carrier operations; or
- 1.03.07.03 has the power or right to designate or provide all or substantially all of Entity B’s officers; or
- 1.03.07.04 has the power or right to appoint or elect a majority of Entity B’s Board of Directors, or other governing body having substantially the powers and duties of a board of directors; or
- 1.03.07.05 has the power or right to appoint or elect a minority of Entity B’s Board of Directors or similar governing body, but only if such minority has the power or right to appoint or remove Entity B’s Chief Executive Officer, or President, or Chief Operating Officer, or the majority membership of the Executive Committee or similar committee on Entity B’s Board of Directors, or the majority membership of at least ½ of Entity B’s Board committees.
- 1.03.08 Maximum Certified Seating Capacity means the maximum seating capacity for which a hull size has been certified by any recognized aviation authority in the world. For greater certainty, aircraft in cargo or combination passenger/cargo configurations will assume an all passenger configuration to determine aircraft categories.
- 1.03.09 Merger means any action that either directly or indirectly results in:
- 1.03.09.01 the acquisition, or the right to acquire, by the Company or its Affiliates of more than 30% of the shares of another Canadian air carrier;
- 1.03.09.02 the acquisition, or the right to acquire, by any entity or coalition of entities of more than 30% of the shares of the Company;
- 1.03.09.03 the merger or amalgamation of all or part of the Company with another Canadian air carrier;
- 1.03.09.04 any change of control of the Company: or
- 1.03.09.05 any change to the Company’s corporate identity.

- 1.03.10 **Tier 2 Carrier** means an air carrier that operates only SPA, MPA or SJA equipment when performing flying for or on behalf of the Company or utilizing the Company IATA designator code (AC or ACA).
- 1.03.11 **Tier 3 Carrier** means an air carrier that operates only SPA equipment when performing flying for or on behalf of the Company or utilizing the Company IATA designator code (AC or ACA).

1.04 Employment Security

- 1.04.01 In order to provide employment security for the Air Canada Pilots, Air Canada agrees that no furlough of any Pilots will result from the following events:
 - 1.04.01.01 current or future code share agreements with other air carriers or their affiliates;
 - 1.04.01.02 current or future commercial agreements with other air carriers or their affiliates;
 - 1.04.01.03 the transfer of any MJA, NJA or WJA equipment to any entity which has, as of April 1st, 2011:
 - (i) entered into a Capacity Purchase Agreement with Air Canada for domestic and/or transborder air carrier operations or
 - (ii) entered into a Transborder and/or International Codeshare or Joint Venture agreement with Air Canada.
- 1.04.02 Embraer Guarantee
 - 1.04.02.01 In order to mitigate the effects of the Air Canada Pilots who may be adversely affected by changes being considered which could reduce the number of Embraer aircraft operated below the number operated by the Company as of July 31, 2012, Air Canada commits to the following:
 - 1.04.02.01.01 Air Canada will determine the number of pilots on July 31, 2012 holding a QPOS or APOS EMJ Captain or First Officer Position (“the Embraer Pilots”).
 - 1.04.02.01.02 Air Canada will identify the most junior pilots on the seniority list as of July 31, 2012 equivalent in number to the number of Embraer Pilots referenced in 1.04.02.01.01 (“the Protected Pilots”).
 - 1.04.02.01.03 Subject to 1.04.02.01.04 below, should Air Canada remove or replace some or all of the Embraer aircraft it operated on July 31, 2012, other than for airworthiness problems or concerns, none of the Protected Pilots shall be furloughed as a direct result of the Company’s decision to so remove or replace those aircraft.
 - 1.04.02.01.04 The above commitment will not apply in the case of a reduction in the Embraer fleet due to adverse economic circumstances which also requires a reduction of flying hours or a reduction of other aircraft types operated by Air Canada.

1.05 Merger or Change of Control

On each occasion that the Company and/or its Successors or Affiliates are involved in a merger or in the event of a Change of Control of the Company, the following will apply:

- 1.05.01 Within 10 days of the Company’s decision to effect a Change of Control or enter into a Merger, the Company will notify ACPA of the same and will provide updates as significant information becomes available. Any confidential information shared with ACPA in relation to a Change of Control or Merger will be the subject of a proper confidentiality undertaking.
- 1.05.02 This Agreement will remain in full force and effect and the recognition now in effect issued by the Canada Industrial Relations Board will not be affected in any way except as otherwise governed by the Canada Labour Code or as directed by the Board.

- 1.05.03 The Company will enter into negotiations with ACPA relative to protection of employees' seniority and other existing or new conditions of this Agreement. Failing settlement, provisions of the Canada Labour Code will apply.
- 1.05.04 No Pilot who suffers a reduction in his or her Position as a result of a Change of Control or Merger will suffer any loss of pay.
- 1.05.05 No Pilot will be involuntarily relocated from one Base to another as a result of a Change of Control or Merger.
- 1.05.06 ACPA has the right in its sole discretion, upon written notice to the Company within 60 days from the date of the Change of Control or Merger event and, subject to the requirements under the Canada Labour Code, to either:
 - 1.05.06.01 extend the duration of this Agreement for a period of one, two, or three years at ACPA's option, beyond its original expiration with annual across-the-board wage, expense, benefit and MPU increases equivalent to the increase, if any, in the consumer price index plus 2% to be effective on the original expiration date and on each annual anniversary of the original expiration date thereafter; or,
 - 1.05.06.02 amend the expiration date of the collective agreement to an earlier date; such date will be no earlier than 60 days from the date of the aforementioned written notice to the Company.
- 1.05.07 Air Canada mainline ASMs will be consolidated, if applicable, with the mainline ASMs of the other carrier and its affiliate(s).
- 1.05.08 Air Canada's Capacity Purchase Agreement ASMs will be consolidated, if applicable, with the other carrier's and its affiliate's Capacity Purchase Agreement or Regional Carrier ASMs;
- 1.05.09 Any such new consolidated Mainline/Capacity Purchase Agreement ASM ratio will be maintained as the new Mainline/Capacity Purchase Agreement carrier ratio.

1.06 Divestiture and Successorship

- 1.06.01 In the event of any divestiture or spin-off of the fleet of Air Canada or part thereof, or of any part of Air Canada's operations that has an effect on Air Canada's flight operations, the aircraft categories, ASM ratios, codesharing ratios, fleet and employment security guarantees will continue to apply to Air Canada.
- 1.06.02 Neither Air Canada nor its Affiliates will oppose any application by ACPA to secure and/or protect bargaining rights and successor rights for any Air Canada Pilots in the event that Air Canada sells, leases, transfers or otherwise divests itself of its fleet or part thereof or any part of its flight operations.

1.07 Single Employer Obligations / Separate Entities

- 1.07.01 Air Canada will not initiate or support any common employer application before the Canada Industrial Relations Board with respect to another group of Pilots unless such application is supported by ACPA.

1.08 Codesharing

- 1.08.01 General
 - 1.08.01.01 Codesharing means an agreement by which another airline places its IATA designator code or future similar designator code on an Air Canada flight and/or Air Canada agrees to place its IATA designator code or future similar designator code (AC or ACA) on the flights of another air carrier. For the purpose of this Collective Agreement, Codesharing does not include a Capacity Purchase Agreement.
 - 1.08.01.02 For the purposes of Codesharing and Joint Venture commercial agreements, Air Canada may place its AC or ACA code on other airlines' flights denoted as AC* Codeshare flying subject to the provisions contained within this Collective Agreement.

- 1.08.01.03 Air Canada will ensure that Code Sharing arrangements are entered into for the purpose of advancing the interests of Air Canada, including Air Canada Pilots. Air Canada will also ensure that Code Sharing arrangements are not, on balance, detrimental to Air Canada Pilots.
- 1.08.01.04 In addition to the limits in Article 1.08.01.03 above, the ASMs flown by a Tier 2 CPA Carrier as codeshare flying outside of a CPA shall be included in the ratio determined by Article 1.10.04 as part of the CPA Carrier ASMs.
- 1.08.01.05 Tier 2 Carriers shall only operate the aircraft described in Article 1.10.02.02 and 1.10.02.03 when performing codeshare flying outside of a CPA for or on behalf of Air Canada or its Affiliates.
- 1.08.02 Codeshare on Routes within Canada
- 1.08.02.01 With the exception of Tier 3 Carriers and Tier 2 CPA Carriers, on flights or routes wholly within Canada, and Northern/Arctic Codeshare arrangements as specified below, Air Canada and its Affiliates will not enter into any Codeshare arrangement:
- 1.08.02.02 on flights or routes wholly within Canada;
- 1.08.02.03 on flights or routes that begin and end in Canada with one or more stops in the United States of America;
- 1.08.02.04 on flights or routes of an air carrier that are considered cabotage flights within Canada.
- 1.08.03 Northern/Arctic Codeshare
- 1.08.03.01 Given the unique operational conditions of Northern/Arctic flying, Air Canada or its Affiliates may enter into a Codeshare arrangement with one Northern/Arctic Air Operator subject to the following conditions:
- 1.08.03.02 Air Canada will be limited to placing the Air Canada code on scheduled and charter flights or routes flown wholly north of the 60th parallel; and
- 1.08.03.03 That the Northern/Arctic Air Operator places its code on Air Canada flights, or flights carrying the Air Canada designator code, connecting YOW and YEG to the following stations in Canada: YVR, YYC, YWG, YYZ, YUL, YHZ and YYT.
- 1.08.04 Transborder Codesharing
- 1.08.04.01 Air Canada agrees to adhere to the following provisions with respect to its Transborder Codeshare flying:
- 1.08.04.02 Air Canada may enter into Codesharing agreements with Tier 3 Carriers and Tier 2 CPA Carriers on transborder routes.
- 1.08.04.03 For each new Codesharing partner not in a Joint Venture, the number of transborder ASMs to and from Canada operated by AC carrying the new partner's code (OAL*) will be equal to or greater than the number of transborder ASMs to and from Canada operated by the new partner carrying the AC code (AC*).
- 1.08.04.04 It is recognized that the proposed Transborder Joint Venture referenced in Article 1.09.03 is not in place at the time of implementing this collective agreement. Until such time as the Transborder Joint Venture is implemented, the current Transborder codeshare with United Airlines will be measured using the International codeshare metrics as set out in Articles 1.08.05.02- 1.08.05.05.
- 1.08.04.05 Further, until such time as the Transborder Joint Venture is implemented, in its codesharing with United Airlines, Air Canada will abide by the International Codeshare limitations, adapted as required, though modified such that only 5% fluctuations will apply to that transborder codesharing, rather than the 10% referenced in Article 1.08.05.04.
- 1.08.05 International Codesharing
- 1.08.05.01 Air Canada agrees to adhere to the following provisions with respect to its International Codeshare flying:

- 1.08.05.02 Air Canada will maintain, as a minimum, the difference in International flying ASMs into and out of Canada between Air Canada's operations and the operations of other carriers carrying the AC code (excluding Joint Venture flying by other carriers carrying the AC code). This will be measured based on the relevant ASMs over the three previous years and calculated at the end of each calendar year.
- 1.08.05.03 The baseline will be the 2008 through 2010 calendar years.
- 1.08.05.04 In recognition of the need to address operational and commercial requirements, the difference in ASMs may fluctuate from the baseline difference by up to 10%. Exceptions will be made for deviations from this limitation that result directly from capacity changes at Air Canada over which the Company has no control.
- 1.08.05.05 In the event of an economic downturn requiring Air Canada to reduce the International flying that it operates, the Company may do so on the condition that there will be no increase in the International flying by other carriers carrying the AC code included in this measure until Air Canada has increased its ASMs back to the original baseline.

1.09 Joint Ventures

- 1.09.01 A Joint Venture means a commercial agreement between airlines which extends commercial integration and the sharing of commercial benefits beyond traditional interline, Code Share and/or alliance relationships and where resources are coordinated with the objective that the sum of the Joint Venture partners' performance will be greater than the individual airlines' performance. This includes joint sales and marketing activities, the coordination of capacity planning and scheduling, the sharing of passenger revenues and other marketing and corporate initiatives, with the aim of achieving flight operations metal neutrality (as defined in the Joint Venture).
- 1.09.02 ACPA acknowledges that Air Canada may enter into bilateral or multilateral commercial arrangements known as Joint Ventures. Air Canada and its Affiliates will not enter into a Joint Venture with respect to routes within Canada without the express written consent of ACPA.
- 1.09.03 ACPA further recognizes that Air Canada is currently engaged in a Joint Venture with respect to transatlantic operations with Deutsche Lufthansa and United Airlines and Continental Airlines and that Air Canada is currently preparing to enter into a Joint Venture with respect to transborder operations with United Airlines and Continental Airlines.
- 1.09.04 The Company agrees to consult with ACPA and share all relevant information with ACPA before entering into a new Joint Venture or including a new partner in a Joint Venture.
- 1.09.05 The parties acknowledge that a Joint Venture shares all relevant benefits from all present or future flight operations within the scope of the Joint Venture operated by any airline, affiliate or entity which any of the parties to the Joint Venture controls or is controlled by.
- 1.09.06 Economic benefits from a Joint Venture are shared amongst the Joint Venture partners in a fair manner reflecting each airline's contribution to the Joint Venture, including the contribution of Air Canada's Pilots. In order to protect Air Canada's interests and the interests of Air Canada's Pilots:
 - 1.09.06.01 Air Canada agrees that it will not share its revenues from these Joint Ventures with its Code Share or Capacity Purchase Agreement partners or its subcontractors, affiliates or entities, who are not parties to the Joint Venture.
 - 1.09.06.02 As a direct result of Air Canada's participation in a Joint Venture, there will not be a reduction of its ASMs that are encompassed within the Joint Venture.

- 1.09.07 Air Canada will maintain, as a minimum, the difference in ASMs between Air Canada's operations into and out of Canada within the scope of a Joint Venture and the operations of the other partners in that Joint Venture into and out of Canada within the scope of that Joint Venture. This will be measured based on the relevant ASMs over the three previous years and calculated at the end of each calendar year. The baseline will be the 2008 through 2010 calendar years for the current Transatlantic Joint Venture; or the three calendar years immediately preceding the commencement of any new Joint Venture.
- 1.09.07.01 In the event of the inclusion of a new partner operating into and out of Canada in an existing joint venture, the baseline will be recalculated by adding the ASMs of the operations of the new partner into and out of Canada within the scope of that Joint Venture to the original baseline.
- 1.09.07.02 In the event that Air Canada enters into a Joint Venture with a current Codesharing partner which does not operate any flights into and out of Canada and the partner commences operating flights into and out of Canada within the scope of the Joint Venture, the baseline minimum difference in ASMs will be adjusted for such flights, to a maximum of the ASMs associated with one such daily flight. Air Canada will not decrease the ASMs of its operation into and out of Canada within the scope of the Joint Venture as a result of the partner commencing to operate such flights.
- 1.09.08 In recognition of the need to address operational and commercial requirements, the relevant difference in ASMs may fluctuate from the baseline difference by up to 5%. Exceptions will be made for deviations from this limitation that result directly from capacity changes at Air Canada over which the Company has no control.
- 1.09.09 In the event of an economic downturn requiring Air Canada to reduce flying or frequencies within the Joint Venture, the Company may do so on the condition that the partners will not increase flying or frequencies within the Joint Venture until Air Canada has increased its ASMs back to the original baseline.
- 1.09.10 Air Canada further commits that in the event of aggressive capacity increases by a Joint Venture partner beyond what is warranted by the market based on reasonable commercial/financial decisions, Air Canada will make any and all reasonable efforts to respect the above commitment, while acting within the Joint Venture commercial agreement. The appropriate action to be taken by Air Canada would be governed by the Joint Venture agreement. Examples of possible action taken on behalf of Air Canada in the event of aggressive capacity increases may include, but are not limited to removing the excess capacity from the Joint Venture revenue sharing calculation or electing not to place Air Canada's code on the increased capacity.

1.10 Capacity Purchase Agreement (CPA) Tier 2 and Tier 3 Carriers

- 1.10.01 Notwithstanding Art 1.02, Air Canada may enter into Capacity Purchase Agreements (CPA) with Tier 2 and Tier 3 Carriers and its currently established CPA carrier in accordance with the following provisions:
- 1.10.01.01 ACPA and Air Canada agree that all flying for or on behalf of the Company or its Affiliates utilizing the AC or ACA designator code is Air Canada flying.
- 1.10.01.02 CPAs are not considered Codesharing or Joint Ventures for the purpose of this Collective Agreement.
- 1.10.01.03 A CPA means a commercial agreement whereby:
- 1.10.01.03.01 A Tier 2 or Tier 3 Carrier performs flight operations for, or on behalf of, Air Canada or its Affiliates, and where the entire capacity (or a specified blocked space) of a specified fleet of aircraft is operated by the Tier 2 or Tier 3 Carrier, which will operate such flights using Air Canada's trade name and designator code, operating on routes and according to schedules and terms of passenger carriage specified by Air Canada, that do not support the deployment of Air Canada mainline aircraft.

- 1.10.01.03.02 Air Canada determines routes and controls scheduling, sets ticket prices, determines seat inventories, revenue management actions, and performs marketing and advertising for the specified flights. Air Canada retains all revenue derived from the sale of seats and cargo services on the specified flights and pays the Tier 2/3 Carrier based on the operations provided. Such fees typically consist of certain variable components based on different metrics approximating the manner in which costs are incurred by the regional carrier, including block hours, flight hours, cycles, passengers carried and the number of aircraft covered by the CPA.
- 1.10.02 Operation of Aircraft
- 1.10.02.01 CPA carriers are limited to operating the Aircraft Categories specified below and subject to the terms and conditions specified below:
- 1.10.02.02 CPA carriers may operate any SPA, MPA or SJA equipment.
- 1.10.02.03 On an exceptional basis, and notwithstanding the Small Jets Settlement Agreement of Mr. Martin Teplitsky of July 12, 2004, and Article 1.10.02.02, all CPA carriers combined may operate up to sixty MJA aircraft configured at a maximum of 76 seats inclusive of all classes (and no other MJA or larger jet equipment), at any one time for the purpose of performing flight operations for or on behalf of Air Canada or its Affiliates pursuant to a CPA or a codeshare, provided that:
- 1.10.03 AC continues to operate at the mainline at least 86 Airbus 319/320/321 aircraft (or equivalent NJA equipment); however, Air Canada may reduce the number of NJA below 86, at a ratio of 2 NJA for every 1 incremental WJA added to its WJA fleet of July 31, 2012. Air Canada will ensure that CPA carriers do not operate for, or on behalf of, Air Canada or its Affiliates any international flying or transborder flying, other than flights between Canada and the United States of America (excluding Hawaii).
- 1.10.04 Air Canada will ensure that a minimum of 100 ASMs are flown at Air Canada by Air Canada Pilots (excluding International flying by WJA equipment) for every 29 ASMs flown by CPA carriers for, or on behalf of, Air Canada or its Affiliates, and by Tier 3 carriers when they are operating flights which carry the AC IATA designator code or future similar designator code.

1.11 Specialty Companies

- 1.11.01 A Specialty Company is any Affiliate of the Company dedicated to air carrier operations within a narrower segment of the travel market than that in which Air Canada operates, such as air cargo, leisure market, low cost carrier or charter operations.
- 1.11.02 The Company or its Affiliates will not create or otherwise form any Specialty Company without the express written consent of ACPA.

1.12 Wet Leasing

- 1.12.01 Wet Lease means the lease, contracting in or subcontracting in of an aircraft with Pilot crew.
- 1.12.02 Wet Leasing will be utilized by the Company and/or Specialty Company only in cases of a need for service to the public of a temporary nature where the Company and/or a Specialty Company is unable to provide that service with Air Canada Pilots.
- 1.12.03 The Company may elect to enter into a short term Wet Leasing arrangement with a duration of less than 30 days. The Company and/or Specialty Company and ACPA will mutually agree to a method of distributing the resulting Wet Lease pay credits.
- 1.12.04 Wet Lease pay credits will not be Flight Time limiting.
- 1.12.05 Wet Leasing for 30 days or more must be approved by ACPA.

- 1.12.06 In the event of a Wet Lease for 30 days or more, the Company will provide compensation in accordance with the following:
 - 1.12.06.01 An average crewing requirement for the wet leased aircraft will be determined according to the stage length of the flights and the augmentation rules in this Collective Agreement.
 - 1.12.06.02 The appropriate comparator aircraft within the collective agreement will be determined. In the event an exact comparator is not in the Collective Agreement, the next smallest aircraft in the agreement will be used.
 - 1.12.06.03 The number of wet lease flight hours will be determined based on the speed for the comparator aircraft in the mileage pay provisions of this Collective Agreement.
 - 1.12.06.04 The hourly crew rate will be the pay rate for the average crewing requirement using the pay rates for the comparator aircraft calculated at night rates.
 - 1.12.06.05 The total compensation for the wet lease will be wet lease flight hours times the hourly crew rate.
 - 1.12.06.06 The wet lease compensation will be calculated on a monthly basis and will be provided to ACPA to be divided amongst Air Canada Pilots that were active in that month.

1.13 Franchise Arrangements

- 1.13.01 The Company will not enter into franchise arrangements with another air carrier on flights originating from Canada or with a final destination in Canada without the consent of ACPA.

1.14 Pilot Crew Interchange

- 1.14.01 The Company will not permit the use of Air Canada Pilots by another air carrier to fly an aircraft operated by the other air carrier; or the use of Pilots of another air carrier by Air Canada to fly an aircraft operated by Air Canada without the consent of ACPA.

1.15 Realignment of Routes and Aircraft Purchase

- 1.15.01 Within 15 days of the decision by the Company or its' Affiliates or a Specialty Company to purchase, lease, park, or sell aircraft, or to realign routes presently operated, whether by the addition or deletion of routes or segments of routes, the Company will meet with ACPA for the purpose of discussing any conditions related to such realignment.

1.16 Scope Committee and Information

- 1.16.01 It is understood that ACPA requires information in order for it to track the overall effect that Codesharing, Capacity Purchase Agreement and Joint Venture arrangements have on Air Canada Pilots. Furthermore, Air Canada recognizes the important impact that these arrangements have on the career of Air Canada Pilots. Consequently, it is in both parties' mutual interest to exchange information and discuss issues of mutual concern related to these arrangements.
- 1.16.02 The Company and ACPA agree to maintain a joint Scope sub-committee for the purpose of exchanging such information and discussing such issues. Such information will be exchanged at joint Scope sub-committee Meetings. The parties will schedule meetings on a quarterly basis or as agreed by the joint Scope sub-committee.
- 1.16.03 As a result, the Company will provide ACPA with full written disclosure of the following information covering all commercial arrangements:
 - 1.16.03.01 All present flights and frequencies.
 - 1.16.03.02 ASMs by flight segment.
 - 1.16.03.03 ATMs by flight segment.

- 1.16.03.04 All flight segments where commercial arrangements are in effect, showing the combined number of ASMs and RTMs which are available, broken down into frequencies operated by Air Canada and its' Affiliates and frequencies operated by the partner airline.
- 1.16.03.05 Any other information that is requested by ACPA and can be shown to be necessary to monitor the impact of these arrangements on Air Canada Pilots.
- 1.16.04 The Company will provide ACPA with updates of the above information on a quarterly basis by the 15th of February, May, August, and November of each year.
- 1.16.05 It is acknowledged that this commercial information is of a highly sensitive and competitive nature and accordingly, ACPA agrees that any such information will not be disclosed to any persons other than the MEC or Scope Committee members.

1.17 Interpretation

- 1.17.01 The provisions of Article 1 apply at all times and in all cases unless otherwise mutually agreed between the parties and will be interpreted in accordance with the following:
 - 1.17.01.01 Nothing in the provisions of Article 1 will be interpreted to cover transactions (including mergers, acquisitions, divestitures, change of ownership or control) that do not affect or are not likely to affect the Air Canada Pilots.
 - 1.17.01.02 Statutory requirements will supersede any provisions contained in Article 1 that are contrary to such statutory requirements.

ARTICLE 2 – DEFINITIONS

2.01 General Interpretations

- 2.01.01 **½ Day ½ Night (DN)** – Pay composed of half day and half night rates.
- 2.01.02 **Active Pilot** – A Pilot as defined in Art 20.
- 2.01.03 **Allowable Voluntary Overtime (AVO)** – Hours flown, excluding block growth, in excess of the greater of DBM or 80 to an established maximum annual value.
- 2.01.04 **AVO Threshold** – The hourly value above which additional AVO cannot be accepted. The AVO threshold is set at 40 hours.
- 2.01.05 **AVO Maximum** – The maximum hourly value the AVO can be awarded to. The AVO Maximum is set at 55 hours.
- 2.01.06 **APOS** – Awarded Position.
- 2.01.07 **Augmentation Pilot** – A Captain or First Officer who is fully qualified on type and who holds a current Position and whose duty it is to provide in-flight relief for the operating Captain and First Officer in order to extend the flight duty period as per Art 25.
- 2.01.08 **Base** – An airport designated by the Company from which pairings of scheduled and non-scheduled flying begin and end.
- 2.01.09 **Bid Award** – The process whereby Positions are awarded to Pilots in accordance with a CMSC Review.
- 2.01.10 **Block** – An assigned or awarded schedule of flying which may include vacation and/or training.
- 2.01.11 **Block Credit** – All credits that fall within a Pilot's Block that are Flight Time limiting. Events that are not Flight Time limiting are specifically identified throughout the Collective Agreement.
- 2.01.12 **Blockholder** – A pilot, not on reserve, who currently holds a Block.
- 2.01.13 **Block Period:**
 - 2.01.13.01 The Block Periods are defined as:
 - 2.01.13.01.01 Jan – the period January 1 to January 30 inclusive (30 days).
 - 2.01.13.01.02 Feb – the period January 31 to March 1 inclusive (30 days; in a leap year, 31 days)
 - 2.01.13.01.03 Mar – the period March 2 to April 1 inclusive (31 days).
 - 2.01.13.01.04 Apr- the period April 2 to May 2 inclusive (31 days).
 - 2.01.13.01.05 May – the period May 3 to June 1 inclusive (30 days).
 - 2.01.13.01.06 Jun – the period June 2 to July 1 inclusive (30 days).
 - 2.01.13.01.07 Jul – the period July 2 to July 31 inclusive (30 days).
 - 2.01.13.01.08 Aug – the period August 1 to August 30 inclusive (30 days).
 - 2.01.13.01.09 Sep – the period August 31 to September 29 inclusive (30 days).
 - 2.01.13.01.10 Oct – the period September 30 to October 30 inclusive (31 days).
 - 2.01.13.01.11 Nov – the period October 31 to November 30 inclusive (31 days).
 - 2.01.13.01.12 Dec – the period December 1 to December 31 inclusive (31 days).
- 2.01.14 **Block Recovery** – Flying assigned under the Pay Protection provisions of Art 32.05.
- 2.01.15 **Captain (CA)** – The pilot who is in command of the aircraft and its crew members while on flight duty, or a status as per Art 20.
- 2.01.16 **CARS** – Canadian Aviation Regulations.

- 2.01.17 **Check Pilot (CP)** – An Active Pilot who holds a Position and is assigned to check pilot duties.
- 2.01.18 **Chief Pilot** – As per the Flight Operations Manual or his designate.
- 2.01.19 **Closing Time** – The date that the CMSC declares that changes to a SPB or a new bid will no longer be accepted for consideration during the associated Bid Award.
- 2.01.20 **Daily Average Earnings (DAE)** – The total earnings of a Pilot's previous 3 Block Periods including applicable overseas and Nav pay divided by the number of days in the 3 Block Periods. Calculation of the total earnings consists solely of the sum of all Block Credits to a maximum of the greater of DBM or 80 hours for each Block Period.
- 2.01.21 **Daily Standard Credit (DSC)** – The number generated by dividing the DBM by the number of days in the Block Period and rounded up to the next whole minute.
- 2.01.22 **Day Flying** – All flying between 06:00 and 18:00 Standard Time. When changes in the regional time occur in flight, the regional time at the station of last take-off shall be used in computing the day and night flying time for that leg of the trip.
- 2.01.23 **Designated Block Maximum (DBM)** – The number of hours used when planning Blocks.
- 2.01.24 **Domestic Operations** – All flying operations not specifically defined as Overseas Operations.
- 2.01.25 **DPG** – Duty Period Guarantee (Art 13.15.02)
- 2.01.26 **Draft** – The assignment of a pilot to flight duty for which he was not scheduled as outlined in Art 30.
- 2.01.27 **First Officer (FO)** – An Active Pilot who is second in command of an aircraft and its crew members while on flight duty and whose duty is to assist or relieve the Captain, or a status as per Art 20.
- 2.01.28 **Flight Instructor (FI)** – An Active Pilot who holds a Position and is assigned to flight instructor duties.
- 2.01.29 **Flying Pay** – Hourly base pay, hourly, mileage, gross weight, overseas and Nav pay if applicable.
- 2.01.30 **Flight Time** – The elapsed time between the time the parking brake is released just prior to departure to the time the aircraft comes to a final stop at its parking position and the parking brake is set.
- 2.01.31 **Gender** – Whenever the masculine gender is used, it shall be understood to mean the masculine or feminine gender unless otherwise specifically stated.
- 2.01.32 **Initial Operating Experience Training Captain (IOETC)** – An Active Pilot who holds a Position and who is selected to provide line indoctrination instruction.
- 2.01.33 **Long Range Flying** – Flying that crosses more than 4 one-hour time zones in a single duty period.
- 2.01.34 **Make-Up** – Flying offered to and accepted by a pilot under Step 2 of the awarding process of Art 28.02.
- 2.01.35 **Management Pilot (MP)** – A Pilot as described under Art 4.04 who has been assigned by the Company to a management position.
- 2.01.36 **Minimum Block Guarantee (MBG)** – Minimum Block credit dependent on DBM as outlined in Art 26.
- 2.01.37 **Night Flying** – All flying between 18:00 and 06:00 Standard Time. When changes in the regional time occur in flight, the regional time at the station of last take-off shall be used in computing the day and night flying time for that leg of the trip.

- 2.01.38 **Operational Delays** – Delays that are beyond the control of the air operator, such as unforecasted adverse weather, equipment malfunctions and air traffic control delays.
- 2.01.39 **Optional 24 or 48** – One or two days that are requested off in conjunction with vacation.
- 2.01.40 **Overseas Operations** – As defined in Art 12.
- 2.01.41 **Pilot** – A Captain, First Officer, Relief Pilot or Pilot-in-Training.
- 2.01.42 **Pilot on Reserve** – A pilot who holds a Reserve Block
- 2.01.43 **Position** – A Pilot's flying position with reference to Base, Equipment and Status. e.g. YZ B767 CA
- 2.01.44 **Pre-selection** – Awarding of open flying prior to normal awards.
- 2.01.45 **Project Pilot (PP)** – An Active Pilot who holds a Position and is assigned to project duties.
- 2.01.46 **QPOS** – Qualified Position.
- 2.01.47 **Relief Pilot (RP)** – A pilot who holds a Relief Pilot Position and is utilized solely for the purpose of providing in flight relief for the Captain and First Officer in order to extend flight duty time as per Art 25, or a status as per Art 20.
- 2.01.48 **Reserve Block** – A schedule comprised solely of reserve duty periods and days off, and may include training, OE or vacation.
- 2.01.49 **Reserve Off-Duty Days:**
- 2.01.49.01 **Guaranteed (G) Day** – A 24 hour off-duty period which shall not be subject to change, except as provided in Art 29.
- 2.01.49.02 **Tentative (T) Day** – A 24 hour off-duty period which may be subject to change as provided in Art 29.
- 2.01.49.03 **Optional (O) Day** – A 6 hour or 24 hour off-duty period which may be subject to change and/or during which a pilot may choose to work as provided in Art 29.
- 2.01.50 **Service as a Pilot** – Shall start to accrue on a pilot's date of employment as a pilot.
- 2.01.51 **Sick Hold** – The ability of a Blockholder who is sick, or anticipates that he may become sick, to hold his pairing or flight that passes through home Base until 5 hours prior to departure.
- 2.01.52 **Status** – A Pilot's assigned classification of Captain, First Officer or Relief Pilot.
- 2.01.53 **Stick Time** – Flight Time as an operating crew member.
- 2.01.54 **System Seniority** – Seniority as defined in Art 4.
- 2.01.55 **Time Periods in the Collective Agreement** – Time periods in the collective agreement that have a start and end time will include the minute shown as the start time and exclude the minute shown as the end time. These time periods will be shown as "between a given hour: minute and a given hour: minute". E.G. 1: a flight that departs at 17h00 and arrives at 18h00 is considered 1 hour of Daytime flying. E.G. 2: A duty period that ends at 00h00 is completed in the previous calendar day.
- 2.01.56 **Time Away From Base (TAFB)** – The time period commencing at the start of the first duty period in a pairing and ending at the termination of the last duty period in that pairing.
- 2.01.57 **TTG** – Trip Time Guarantee (Art 13.15.03)

ARTICLE 3 – DURATION AND EFFECTIVE DATE

3.01 This Agreement, including the Letters of Understanding and Letters of Commitment attached, will become effective and binding beginning on the day of the decision of Mr. Douglas Stanley, sitting as an arbitrator pursuant to the Protecting Air Service Act, and shall not have retroactive effect except where indicated, and will continue in full force and effect until April 1st, 2016 and will renew itself without change each succeeding year, unless written notice of intended change is served by either party within 4 months prior to the expiry date. In the event that notice is given of intended change, this Agreement will remain in full force and effect while negotiations are being carried on for the arrangement of a further Agreement.

ARTICLE 4 – SENIORITY

4.01 Establishing Seniority Date

- 4.01.01 Effective for Pilots hired after November 1st, 2010 the seniority date will be his date of employment as a Pilot. When 2 or more Pilots are employed on the same date, their respective positions on the Pilots' System Seniority List will be decided by lottery. For Pilots hired prior to November 1st, 2010, the seniority date will be the date on which he was designated and received remuneration as a Pilot.
- 4.01.02 For greater clarity, in the event of any future declaration of common employer status and/or declaration of sale of business; purchase or merger of airlines or parts thereof; or other combination of flying operations under the Company, the seniority of employees who are to be added to the seniority list as a result of such an event will commence no earlier than the date of the issuance of any CIRB order regarding the declaration of common employer status and/or sale of business, the date of the future purchase or merger of airlines, or the date of such other future combination of flying operations, as the case may be.

4.02 Application of Seniority

- 4.02.01 System Seniority will govern all Pilots in matters of a system-wide nature, including their choice of Base assignments, their retention in the event of a reduction in force, and their subsequent re-employment after furlough due to such reduction.
- 4.02.02 System Seniority will govern Pilots in all matters, including promotion or demotion, assignment or reassignment due to expansion or reduction in schedules, block awards, vacation awards, application of the scheduling rules, and choice of equipment assignments, provided the Pilot is sufficiently qualified for the conduct of the operation involved.
- 4.02.03 Loss of Seniority – Any Pilot once having established a seniority date hereunder will not lose that date except by termination of employment as a Pilot with the Company, or as otherwise provided in Art 4.04.

4.03 Pilots' System Seniority List

- 4.03.01 Pilots' System Seniority List – The Company will maintain the "Pilots' System Seniority List", which will specify the seniority number, name, and seniority date of all Pilots entitled to seniority. The seniority date of new Pilots added to the Seniority List will be established in accordance with the provisions of Art 4.
- 4.03.02 The Company will, by January 31st of each year, post electronically, a copy of the Pilots' System Seniority List, brought up to date to include changes or additions which have occurred since the posting of the previous list.
- 4.03.03 Seniority Protests – A Pilot will be permitted a period of 60 days after any posting of the Pilots' System Seniority List each year in which to protest to the Company any omission or incorrect posting affecting his seniority.
- 4.03.04 A Pilot on leave or away from his Base station at the time of posting of the list will have a period of 30 days from the date of his return to his Base station during which to file such protest.
- 4.03.05 Any incorrect posting or any other discrepancy which went unprotested on the annual Seniority List in which it first appeared will not be protested on any subsequent annual posting except that typographical and clerical errors may be corrected at any time.
- 4.03.06 Retention of Seniority – Medical – A Pilot who is medically unfit will not have his name removed from the Pilots' Seniority List until he is no longer employed as a Pilot by the Company.

4.04 Management Pilots

- 4.04.01 Only Pilots on the Air Canada Pilots' System Seniority List may hold Management Pilot positions with the Company.
- 4.04.02 A Pilot posted to Management Pilot duty will retain and continue to accrue seniority, provided such Pilot maintains at all times the airman's certificate or certificates required for his status. If such Pilot will permit such certificate or certificates to lapse, he will retain the seniority already accrued to the time of such lapse and will have a period not to exceed one year in which to regain such specified certificate or certificates. If he does so regain such specified certificate or certificates within one year, his seniority will recommence to accrue from the date his certificate or certificates are so regained.
- 4.04.03 When a Pilot is posted to Management Pilot duty on account of sickness or injury or becomes sick or injured while on such duty, he will retain his seniority during such period of sickness or injury regardless of whether or not he is able to maintain his airman's certificate or certificates required for his status, until he is able to return to flying duty or is found to be unfit for such duty for a continuous period of 3 years unless extended by mutual agreement between the Company and ACPA.

ARTICLE 5 – PROBATION

5.01 General

- 5.01.01 The probationary period for a Pilot commences on his date of employment as a Pilot.
- 5.01.02 A Pilot will normally be on probation until the completion of his first annual line check. In special circumstances, the probationary period may be extended up to an additional 6 months and in such case, the Pilot concerned and ACPA will be advised by the Company in writing stating the reasons for the extension and its duration.

ARTICLE 6 – FLIGHT SAFETY

6.01 Accident and Incident Investigation

- 6.01.01 When a Pilot is involved in an accident or incident related to the operation of an aircraft while on duty, he may be held out of service pending the outcome of any investigation into the accident or incident undertaken by the Company, Transport Canada or the Canadian Transportation Accident Investigation and Safety Board.
- 6.01.01.01 When held out of service, the Pilot and ACPA will be so notified in writing within 7 days along with the reasons.
- 6.01.02 When the investigation is undertaken by the Company, the officers involved will make every attempt to issue a final report within 3 months.
- 6.01.02.01 Both the Pilot involved and ACPA will be given the opportunity to participate fully in the investigation, will be informed on a regular basis on the course of such investigation and will be provided with a copy of any interim or final reports .
- 6.01.03 A Pilot held out of service pending the outcome of an investigation will be paid and will receive Block Credits for the flights in his Block as if flown according to schedule. A Pilot not holding a Block will be paid and will receive Block Credits at the rate of 2h40 per day DN.
- 6.01.04 When disciplinary or discharge action is considered following the issuance of an accident investigation report, satisfactory to the Company, the provisions of Art 7 will be applied from such date of issue.
- 6.01.05 Prior to any form of investigation or interrogation by the Company following an accident or incident, the Pilots will make themselves available and will be afforded a medical examination and the results will be made available to the Company and Pilots.
- 6.01.06 In cases involving aircraft accidents, Pilots will not be required to commit themselves orally or in writing to officials of the Company for a period of 24 hours following the accident unless they have the opportunity to be represented by ACPA.
- 6.01.07 Throughout this procedure the Pilot involved and/or his designated ACPA representative(s) may, upon request, review any information contained in his files in conjunction with a designated representative of the Company.

6.02 Representation During Accident Investigation

- 6.02.01 During accident investigation, the Pilot or his duly accredited representative or representatives will have access to any information that may affect the Pilot's status. An ACPA representative will be part of the Company investigation team.

6.03 Aircraft Electronic Recording & Reporting Devices

- 6.03.01 The parties agree that the use of electronically recorded flight data can be used to enhance flight safety, provide relevant and accurate information to assist in accident/incident investigation, as well as to provide economic savings through preventative maintenance and enhancements to Standard Operating Procedures (SOPs).
- 6.03.02 It is agreed that no electronic recording and reporting devices of any kind, and no recorded data obtained or derived from the Cockpit Voice Recorders (CVR), Flight Data Analysis (FDA), Flight Data Recorder (FDR), ACARS, Video Recorders, Quick Access Recorders (QARs) or any Flight Safety Program will be employed to monitor, nor to electronically check, the judgement and/or ability of any individual Pilot. This does not preclude the use of de-identified information in the interest of flight safety, maintenance integrity programs or aircraft manufacturer assessment programs in a manner mutually agreeable to the Company and ACPA.

- 6.03.03 No information or data derived, developed or obtained from or as a result of a Flight Safety Program utilising Aircraft Electronic Recording and Reporting Devices will be used by the Company, the Pilots, or ACPA in any civil, administrative, penal, criminal, disciplinary, discharge or termination action or proceeding of any kind. Nor will any data or information obtained as a result of knowledge derived from a Flight Safety Program utilising Aircraft Electronic Recording and Reporting Devices be used, nor permission granted for use, as the basis of, or in justification of any such civil, administrative, penal, criminal, discipline, discharge or termination action or proceeding of any kind.
- 6.03.04 The Company agrees to make available to ACPA, upon request by the MEC Chairman, reasonable pertinent stored data relevant to ACPA's interest in flight safety. No data obtained or derived from a Flight Safety Program identifying a Pilot or crew will be released without the permission of all persons so identified.
- 6.03.05 It is agreed that no recording devices, for Flight Safety or maintenance purposes not utilized in the Company's aircraft, will be installed without mutual agreement of the Company and ACPA.
- 6.03.06 The parties agree that the following procedures will apply in order to ensure a mutually satisfactory usage of information from any Flight Safety Program utilising Aircraft Electronic Recording and Reporting Devices. These procedures are subject to the obligations of the parties to comply with government regulations.
- 6.03.07 Cockpit Voice Recorders will only be used under a Flight Safety Program as mutually agreed by the Company and ACPA.
- 6.03.08 The Company will ensure that Cockpit Voice Recorders will have an operable means of erasure at the termination of flight.
- 6.03.09 Prior to usage for maintenance purposes, the Cockpit Voice Recorder tape will be completely erased.
- 6.03.10 The Company will use its best efforts to ensure the security of Cockpit Voice Recording equipment against unauthorized removal and/or playback.
- 6.03.11 When Cockpit Voice Recorder data is retrieved by the Company under the program for other than maintenance purposes, or any other mutually agreed safety programs, both the Captain and ACPA will be notified.

6.04 Flight Data Analysis (FDA)

- 6.04.01 It is agreed that programs to read routinely recorded data, for the FDA program or maintenance purposes, will not be introduced without mutual agreement of the Company and ACPA.
- 6.04.02 The design, implementation and operation of any FDA program will be by mutual agreement between the Company and ACPA. A joint Company and ACPA FDA Monitoring Committee will oversee the FDA program and establish necessary policies and procedures as required.
- 6.04.03 The design, implementation and operation of any FDA program will ensure that any data obtained or derived from the FDA program will be de-identified in such a manner to guarantee that the identity of any Pilot will not be known to anyone, except to a specified ACPA representative who, under the terms of a FDA program, may determine the identity of the Pilot in the pursuit of enhancing flight safety.
- 6.04.04 It is agreed that any data obtained or derived from a FDA program will be kept or stored only in an aggregate (combined) form. Raw, flight-specific data will not be shared with a third party and will be destroyed after being added to the aggregate record.
- 6.04.05 It is agreed that data obtained or derived from a FDA program will not be employed by Air Canada to monitor, nor to electronically check the judgement and/or the ability of individual Pilots.

6.04.06 It is agreed that fuel burn or any other data derived from DataPlus (ACARS) will not be employed to monitor, nor to electronically check the judgement and/or the ability of individual Pilots. Any use of Data plus information for the purpose of fuel management will utilize methods that are mutually agreed by the Company and ACPA.

6.05 Flight Crew Report (FCR) Distribution

6.05.01 Flight Operations will forward a copy of all categorized FCRs and categorized incident reports to ACPA if requested to do so by the individual Pilots.

6.05.02 The Flight Crew Report form will include a distribution box for forwarding to ACPA.

6.05.03 All FCRs requested to be copied to ACPA will be forwarded to ACPA Headquarters, ATTN.: MEC Chairman.

ARTICLE 7 – DISPUTE RESOLUTION

7.01 ACPA Representation

7.01.01 The Company must advise ACPA in advance of any scheduled meeting or interview to discuss a Pilot's performance, or that might have disciplinary consequences. Pilots are entitled to have ACPA representation at any such meeting.

7.02 Personnel Records

7.02.01 The Company will maintain one file containing information relating to items of a personnel nature for each Pilot at the Pilot's Base. A Pilot will be advised prior to having any material of any adverse, unfavourable or disciplinary nature placed in this file. This file may be reviewed by the Pilot, in the presence of Management, within 24 hours upon request.

7.02.02 Any adverse or unfavourable record, including past discipline, will automatically be deleted from a Pilot's file and will not be referred to or relied upon after a period of 24 months of active service from the date of the letter.

7.03 Grievance Procedure – General, Discipline or Discharge

7.03.01 Steps 1 and 2 below may be combined into a single step by mutual consent.

7.03.01.01 A Step 1 grievance will be heard by the Chief Pilot or his designated representative from Flight Operations.

7.03.01.02 A Step 2 grievance will be heard by the Chief Executive Officer or his designated representative.

7.03.02 Grievances under this Article may be initiated by any Pilot who considers himself aggrieved, with the concurrence of ACPA.

7.03.03 Grievances may be initiated by ACPA on behalf of any Pilot.

7.03.04 Grievances of a general or policy nature may be initiated by ACPA at Step 2, or by mutual agreement directly to Arbitration.

7.03.05 Grievances resulting from unresolved Pay Claims will be initiated at Step 2.

7.03.06 Grievances should be filed in writing within 30 calendar days of a Pilot having reasonable knowledge of the occurrence of the facts giving rise to the grievance, or when a Pilot has been suspended or dismissed, from the date of receipt of the notification of discipline or dismissal. It is not intended that this limitation will preclude claims arising out of bookkeeping or clerical errors.

7.04 Grievance Procedure – Discipline or Dismissal

7.04.01 When discipline or dismissal is contemplated, ACPA will be informed in writing and the Pilot involved may, where necessary, be held out of service with full pay and credits pending investigation for up to 7 calendar days, or longer by mutual agreement between ACPA and the Company, in order to provide the Company with sufficient time to investigate and consider all factors involved. Where no action is taken, ACPA and the Pilot will be notified, in writing, when the Pilot is to be returned to the line.

7.04.02 When disciplinary action is taken, the Pilot and ACPA will be notified in writing along with the reasons for such discipline and informed of the Pilot's right to appeal.

7.04.03 When dismissal is considered, the Pilot will be suspended pending dismissal and notified along with ACPA of the reasons for such dismissal in writing and informed of the Pilot's right to appeal.

7.05 Grievance Procedure – Process

- 7.05.01 Any Pilot who considers himself aggrieved and who has first attempted to obtain a satisfactory settlement with his immediate supervisor, or who has been disciplined, suspended or dismissed and who considers himself unjustly dealt with, may grieve in writing outlining both the nature of the grievance and the facts involved.
- 7.05.02 Throughout this procedure the Pilot involved will be represented by ACPA.
- 7.05.03 The foregoing notice requirements will not be interpreted so as to restrict consideration of all relevant facts.

7.06 Grievance Procedure – Time Limits

- 7.06.01 The following will apply at all Steps of the grievance procedure.
- 7.06.02 A grievance hearing will be held within 10 calendar days of receipt by the Company of a written notice of grievance, or of receipt of notice of appeal.
- 7.06.03 If no agreement is reached at a Step 1 or Step 2 grievance meeting, the Company will deliver the decision in writing, including the reason(s), to the Pilot and ACPA within 10 calendar days.
- 7.06.04 Appeals should be lodged in writing within 10 calendar days of receipt of any decision.
- 7.06.05 Where the procedures outlined above have been exhausted, ACPA may initiate the Arbitration procedure within 30 days of receipt of the final Company decision.
- 7.06.06 The time limits specified above may be extended by mutual agreement in writing.

7.07 Grievance Procedure – Rights and Obligations

- 7.07.01 By mutual agreement, employee witnesses called by ACPA will be granted time off with pay subject to the requirements of the service and will be provided with a positive space business pass for transportation to and from the hearing.
- 7.07.02 Throughout this procedure, the Pilot involved and/or his designated ACPA representative may, upon request, review any information contained in his files in conjunction with a designated representative of the Company.
- 7.07.03 If requested, the Company will provide the Pilot with 2 copies of all documents relative to such grievance in his file.
- 7.07.04 If at any step of these procedures, including arbitration, the Pilot is fully exonerated, his record will be cleared of the charges against him, and he will be reinstated without loss of seniority or pay.

7.08 Arbitration – General

- 7.08.01 Board of Arbitration – The default procedure for submitting disputes for Arbitration will be to refer the dispute to a Board of Arbitration consisting of 1 Member appointed by ACPA and 1 Member appointed by the Company and 1 Chairman appointed by agreement between the appointees of ACPA and the Company, or failing such agreement, by the Minister of Labour at the request of either appointee. Each party must appoint its Member to the Board within 15 days of a written submission to arbitration.
- 7.08.02 By mutual consent, the parties may submit any matter to a single Arbitrator for determination in accordance with the provisions of this Article. If the parties cannot agree on an arbitrator within 15 days, either party may request the Minister of Labour to appoint a single arbitrator.

7.09 Arbitrator's Jurisdiction and Procedures Authority

- 7.09.01 The Arbitrator or Board of Arbitration will have jurisdiction to consider any matter properly submitted to it under the terms of this Agreement.

- 7.09.02 The Arbitrator or Board of Arbitration will have no jurisdiction to alter, modify, amend or make any decision inconsistent with the terms of this Agreement.
- 7.09.03 The Arbitrator or Board of Arbitration will establish its own procedure having due regard to the requirements of natural justice.
- 7.09.04 The Arbitrator or Board of Arbitration will make every effort to render a decision with the minimum delay and in no case more than 3 months from the date of the final hearing.

7.10 Arbitrator's Authority

- 7.10.01 The Arbitrator or Board of Arbitration will in the case of a grievance appeal have the authority to render any decision that it considers just and equitable.
- 7.10.02 In the case of disciplinary or dismissal appeals, the Arbitrator or Board of Arbitration will have the authority to determine whether the disciplinary or dismissal action taken by the Company was for just and proper cause.
- 7.10.03 In such disciplinary or dismissal appeals, the Arbitrator or Board of Arbitration may uphold the Company's final decision, fully exonerate and reinstate the Pilot with pay for all time lost or render such other decision as it considers just and equitable.
- 7.10.04 Where a Board of Arbitration is appointed, a majority decision will constitute the decision of the Board, but failing such majority, the decision of the Chairman will govern.
- 7.10.05 A decision of the Arbitrator or Board of Arbitration will be final and binding on ACPA, the Pilot and the Company.

7.11 Obligations

- 7.11.01 Throughout this procedure, the Pilot involved and/or his designated ACPA representative may, upon request, review any information contained in his files in conjunction with a designated representative of the Company.
- 7.11.02 If requested, the Company will provide the Pilot with copies of all documents relative to the case in his file.
- 7.11.03 All employee witnesses called by the Arbitrator or Board of Arbitration or the Pilot will be granted time off with pay subject to the requirements of the service and will be provided with positive space business passes for transportation to and from the hearing.
- 7.11.04 The expenses incurred by the Arbitrator or Chairman of the Board of Arbitration will be borne equally by each party.
- 7.11.05 Where a Board of Arbitration is appointed, each party will assume the expenses incurred by its own appointee.
- 7.11.06 The provisions of this Article will not in any way limit restrict or abridge any rights or privileges accorded either party according to the law.

7.12 Expedited Arbitration

- 7.12.01 By mutual consent, or when otherwise identified, the parties may submit any grievance to expedited arbitration in accordance with the provisions contained herein.
- 7.12.02 Within 7 days of agreeing to refer a grievance to expedited arbitration the parties will agree on an arbitrator.
- 7.12.03 Grievances referred to expedited arbitration will be scheduled within 90 days of selection of the arbitrator
- 7.12.04 All presentations will be short and concise and are to include an opening statement. The parties agree to make limited use of authorities during their presentations.

- 7.12.05 The parties will equally share the cost of fees and expenses of the arbitrator.
- 7.12.06 The Arbitrator will have the jurisdiction to assist the parties in mediating a resolution of the grievance or to deliver a decision that will be binding on both parties. The Arbitrator will have no jurisdiction to alter, modify, amend or make any decision inconsistent with the terms of this Agreement. In the case of a disciplinary hearing, the Arbitrator may dispose of the matter in a manner that he deems just and equitable.
- 7.12.07 Both parties agree that no outside legal counsel will be retained to present grievances to expedite grievances under this Article.
- 7.12.08 All time limits outlined in this Article are subject to extension by mutual agreement of the parties.

7.13 Pay Claims Procedures

- 7.13.01 The following procedure is to be used in the handling of claims of pay and scheduling irregularities, including training:
 - 7.13.01.01 The Pilot has 45 days from the date of the flight or scheduling irregularity giving rise to the claim to submit the claim to the Company. It is not intended that this limitation will preclude claims arising from bookkeeping or clerical errors.
 - 7.13.01.02 Step 1: The Pilot should initially attempt to resolve the claim between himself and Crew Scheduling
 - 7.13.01.03 Step 2: Failing to resolve the claim at Step 1, the Pilot should submit a claim to the Chair of the ACPA Scheduling and Pay Claims Committee. If the Chair of the ACPA Scheduling and Pay Claims Committee or his designate agrees with the claim it will be submitted to the General Manager of Crew Scheduling. If the pay claim is denied by the Company it will be submitted to Step 2 of the Grievance Process.

7.14 Pay Claims Awarded to ACPA

- 7.14.01 Pay claims awarded to ACPA will be credited to Pilots by any method mutually agreed to by the Company and ACPA.

7.15 Flight Awarding Error

- 7.15.01 In cases where Crew Scheduling errs by awarding or assigning a flight to the wrong Pilot the following will apply:
 - 7.15.01.01 If the error is corrected at least 3h15 prior to departure time, there is no claim; or
 - 7.15.01.02 If the error is not corrected at least 3h15 prior to flight departure, both Pilots will be paid for the flight and the Pilot who should have been awarded the flight(s) will be paid the greater of the flight(s) he operated or the flight(s) he should have been awarded.

7.16 Joint Onerous Pairing Evaluation Committee (JOPEC)

- 7.16.01 JOPEC will evaluate and, where necessary, alter any pairing(s) considered onerous by the operating crew(s).
- 7.16.02 The JOPEC will consist of three members from ACPA and three members from the Company, at least one being a MP. The JOPEC will consult with any specialist in the area of Health and/or Fatigue Identification/ Management as the Committee considers necessary.
- 7.16.03 Procedure:
 - 7.16.03.01 When a crew operates a pairing they consider to be onerous they will notify their Chief Pilot through the Flight Crew Reporting (FCR) system. All FCR's identifying alleged onerous pairing(s) will be passed on to the ACPA Chair of the JOPEC immediately on receipt by the Company.

- 7.16.03.02 JOPEC will convene a meeting within 10 calendar days of receipt of a FCR to address the pairing(s).
- 7.16.03.03 A pairing which is deemed by JOPEC to be onerous will be returned to the System Pairing Analyst for immediate rectification.
- 7.16.03.04 If due to time or flight crew constraints the pairing cannot be changed it will be flown for a maximum of one full Block Period after the FCR notification.
- 7.16.03.05 A pairing which is deemed by JOPEC not to be onerous will remain active and the crew will be so advised. The crew will be given the option of an appeal before JOPEC.
- 7.16.03.06 Based on the guidelines, reference material or any additional material agreed to by the Committee and with due recognition of Flight Safety and the continuing need for pairing efficiency, agreement within JOPEC will not be unreasonably withheld.

7.17 Onerous Pairing Resolution Procedure

- 7.17.01 If unable to resolve the pairing dispute, the JOPEC will advise the offices of the Vice President, Flight Operations and MEC Chairman of the reason(s), as well as recommendations for resolution of the onerous pairing(s).
- 7.17.02 The Vice President and the MEC Chairman will resolve the pairing(s) in dispute or, failing resolution, send the dispute to a subject matter expert agreed to by the parties for an expedited final resolution.
- 7.17.03 Assessment Criteria:
 - 7.17.03.01 When assessing the fatigue component of a pairing(s) the following factors will be considered individually and cumulatively with due regard to applicable references:
 - 7.17.03.01.01 Departure/arrival times
 - 7.17.03.01.02 Number of landings
 - 7.17.03.01.03 Time on duty (including flight deck duty time)
 - 7.17.03.01.04 Flight crew relief requirements
 - 7.17.03.01.05 Window of Circadian Low (WOCL)
 - 7.17.03.01.06 Deadheading – Prior to/after
 - 7.17.03.01.07 Off duty rest period
 - 7.17.03.01.08 Airport and/or Hotel Location
 - 7.17.03.01.09 Crew Base Time Zone (Acclimatization considerations)
 - 7.17.03.01.10 Variation between individual biological clocks
 - 7.17.03.01.11 Nutritional requirements
 - 7.17.03.01.12 Whether reporting time of a flight or flights should be longer than 1h15
 - 7.17.03.02 Reference Documents:
 - 7.17.03.02.01 In recognition of published scientific data and guidelines relating to flight crew fatigue management, when the committee is required to approve a pairing that was considered onerous by the operating crew(s), its evaluation will be based on, but not restricted to, the regulations, guidelines and limitations contained in the Collective Agreement, Canadian Aviation Regulations (CARs), fatigue software and any studies or papers addressing health and/or fatigue identification/management.

7.18 Window of Circadian Low (WOCL)

- 7.18.01 The hours between 02:00 and 06:00 for individuals adapted to a usual day-wake/night-sleep schedule. For flight duty periods that cross 3 or fewer time zone boundaries, the WOCL is between 02:00 and 06:00 home Base time. For flight duty periods that cross 4 or more time zone boundaries, the WOCL is between 02:00 and 06:00 home Base time for the first 48 hours only. After a crew member remains more than 48 hours away from his/her home-Base, the WOCL is between 02:00 and 06:00 local time at point of departure.
- 7.18.01.01 To become acclimatised a flight crew member must achieve three consecutive local nights free of duty and be able to take an uninterrupted night's sleep in a single time zone. The flight crew member will be considered acclimatised until he becomes acclimatised to another time zone or becomes non-acclimatised by finishing his duty at a place where the local time differs by more than 3 hours from that to which he is acclimatised. For the purposes of this Article, 'local night' is considered to be the period between 22:00 and 08:00 local time.

7.19 Disputed Pairing Resolution Procedure

- 7.19.01 Pairings will be forwarded to the ACPA Scheduling and Pay Claims Chair as soon as they have been completed to ensure contract compliance. The following procedure will be followed for any disputed pairing(s):
- 7.19.02 The Joint Scheduling and Pay Claims Committee will, within 10 calendar days, attempt to resolve the disputed pairing.
- 7.19.03 Should the Joint Scheduling and Pay Claims Committee be unable to agree on the contract interpretation or resolve the pairing error (if applicable), the interpretation or pairing error will be referred to expedited arbitration in accordance with Art 7 for final resolution.
- 7.19.04 The disputed pairing will be flown until the earlier of a Joint Scheduling and Pay Claims Committee resolution, an expedited arbitration decision, or one full Block Period after notification.

ARTICLE 8 – LEAVE OF ABSENCE

8.01 General

- 8.01.01 When requirements permit, a Pilot, upon written request to the Chief Pilot, through his manager, with a copy to ACPA, may be granted Leave Of Absence (LOA) without pay for a period of up to 12 months. ACPA will be notified of any approved LOA of a duration greater than 30 days. A LOA may be greater than 12 months or extended beyond 12 months by mutual agreement between ACPA and the Company.
- 8.01.02 The Chief Pilot may, at his discretion, give a Pilot on a LOA special permission to engage in other employment while on leave provided such employment is not considered a conflict of interest with the Pilot's responsibilities to Air Canada.
- 8.01.03 In a case of sickness or injury, a Pilot who is not eligible for sick leave or GDIP benefits will be granted a LOA until such time as he is able to return to flight duty. In no case will a LOA for sickness or injury exceed a total continuous period of 3 years unless extended by mutual agreement between the Company and ACPA.
- 8.01.04 In the event of a national emergency, a Pilot volunteering with Company consent, or ordered to extended military service, will retain his seniority date, pension, accumulated sick leave and bid status.
- 8.01.05 A Pilot will retain his seniority date and accrue seniority, but not service, during a LOA.
- 8.01.06 A Pilot returning from a LOA will have Flight Time limitations applied prorated to the number of days remaining in the Block Period.

8.02 Bereavement Leave/Leave for Compassionate Care

- 8.02.01 Leave for Compassionate Care and/or Bereavement leave is not sick leave. Provisions for bereavement/compassionate care leave are outlined in Policies and Procedures in ACAeronet. For other personal reasons, time off may be arranged through the Pilot's manager.

8.03 Residual Rights from Special Leave of Absence Programs (LOU 68)

- 8.03.01 Pilots currently on any Special Leaves of Absence will be protected by any and all rights afforded under the Collective Agreements between Air Canada and the Air Canada Pilots Association, effective April 2, 2000 – July 1, 2009, and effective July 2, 2009 – March 31, 2011, specifically any provisions that apply to LOU 68.

8.04 Voluntary Block Reduction (VBR)

- 8.04.01 A Pilot who wishes to apply for a VBR must inform Crew Planning in writing not less than 30 days prior to the commencement of the requested VBR Block Period(s). Granting of the request will be at Company discretion and will be awarded to Pilots in seniority order based on qualifications and requirements. Once granted, the VBR may only be cancelled by mutual agreement between the Company and ACPA.
- 8.04.02 A Pilot on VBR will have a PBS start credit up to DBM minus 45 hours. The Pilot will then be scheduled for the remaining flying, vacation and training credits. Flying will be awarded in accordance with the Pilot's bid preference and seniority.
- 8.04.03 Pilots may not plan their block reduction less than any scheduled vacation and/or planned training in any VBR Block.
- 8.04.04 A Blockholder on VBR will be subject to Pay Protection in accordance with Art 32 except that the Pilot will have no right to refuse.

- 8.04.05 A Pilot who is awarded a Reserve Block under VBR will, at Pilot's option, be given a short term LOA prorated to his VBR request and will have his MBG and number of days on reserve prorated according to the ratio of (DBM – start credit)/DBM. If the Pilot elects not to accept a short term LOA, he will keep his awarded Reserve Block.
- 8.04.06 A Pilot and the Company will continue to make pension and RCA contributions (as applicable) based on DBM for each Block Period on a VBR. Corresponding FAE calculations will also be based on DBM for each VBR Block Period.
- 8.04.07 Vacation and general holiday entitlement will be prorated for each Block Period a Pilot is on a VBR.
- 8.04.08 A Pilot's sick leave bank will be prorated for each Block Period the Pilot is on a VBR.
- 8.04.09 For purposes of the GDIP program, a Pilot's presumed salary for the Block Periods on a VBR will be the greater of a Pilot's actual flying, the applicable equipment DBM, or his DAE prior to the VBR times the amount of days in the Block Period while on VBR.

ARTICLE 9 – FURLOUGH AND SEVERANCE

9.01 Furlough

- 9.01.01 If there is a furlough, Pilots will be furloughed in reverse order of system seniority. Such furloughed Pilots will be recalled in order of their system seniority. New Pilots may be hired only after all furloughed Pilots have been recalled or have bypassed their recall notice.
- 9.01.02 The Company will provide at least 30 days written notice to a Pilot prior to his being furloughed.
- 9.01.03 A Pilot who is furloughed will file his address with the office of the Vice President, Flight Operations or his delegate and will thereafter promptly advise the Company of any change in address. A Pilot will not be entitled to preference in recall if he does not comply with this requirement.
- 9.01.04 In the event of a furlough, affected Pilots will have:
 - 9.01.04.01 Their bank credits reconciled (paid out or paid back as the case may be);
 - 9.01.04.02 Any sick days will be carried forward to recall.
 - 9.01.04.03 By mutual agreement between the Company and Pilot, vacation may be deferred until furloughed and then paid at 2h55 per day DN. A Pilot who is furloughed will also be provided with space available transportation for himself and dependent members of his family to any point in the system to the extent permitted by law.
 - 9.01.04.04 An opportunity to renew their Instrument Flight Rating prior to furlough. This includes Pilots who currently hold a valid Instrument Flight Rating.
- 9.01.05 Pilots on furlough are entitled to the following:
 - 9.01.05.01 Group Employee Benefit Programs with the exception of GDIP. The Pilot will pay in advance the full cost (100%) of the premium.
 - 9.01.05.02 A Pilot on furlough continues to accrue Company service except for the purpose of pay progression, pension and vacation entitlement.
 - 9.01.05.03 A Pilot on furlough continues to accrue seniority.

9.02 Furlough Pay

- 9.02.01 Each Pilot who becomes furloughed will be entitled to 2 weeks pay for each full year of service, prorated, up to a maximum of 20 weeks pay. This provision does not apply to a Pilot electing to take a voluntary separation.
- 9.02.02 In the event that a furloughed Pilot is recalled without having used all his furlough pay, the unused portion will be credited to his account; however, service for additional furlough pay credits will only be accumulated from date of recall.
- 9.02.03 Furlough pay will be based on the average earnings of the best 3 Block Periods during the last 12 months of active line service prior to the effective date of furlough.

9.03 Recall

- 9.03.01 A Pilot offered recall will be expected to respond within 14 days and to return to the service of the Company within 30 days, or such longer period as may be mutually agreed upon, after notice has been received by registered mail or courier service sent to the last address filed with the Company as detailed in Art 9.01.03.
- 9.03.02 A Pilot offered recall will have the option to bypass such offer, provided there are Pilots junior to him still on furlough. Such Pilot, electing to bypass an offer of recall will not be entitled to the provisions of Art 9.03.03 and will forfeit the right to recall until subsequent vacancies are available under the provisions of Art 20.

- 9.03.03 A Pilot recalled within 180 days of being furloughed will normally be recalled at the Base from which he was furloughed. Should this recall not be at the Base from which he was furloughed, he will be entitled to a Company paid move as per the provisions of Art 20.
- 9.03.04 A Pilot who has been recalled may request a LOA in accordance with Art 8.
- 9.03.05 A Pilot who has been recalled will be credited with one sick day for every full calendar month left in the calendar year.
- 9.03.06 A Pilot returning from furlough will not have an adjusted service date later than a Pilot junior to him.
- 9.03.07 When recall occurs, the following will apply during training:
 - 9.03.07.01 The Pilot's pay will be 2h40 per day DN for his APOS.
 - 9.03.07.02 The Pilots will be entitled to meal expenses as outlined in Art 18.02 and a hotel room if the Pilot is away from his home Base.
 - 9.03.07.03 When recall occurs more than 180 days after being furloughed the Pilot will be entitled to meal expenses as outlined in Art 18.02 and a hotel room.

9.04 Severance Pay

- 9.04.01 Each Pilot whose service is terminated will be entitled to ½ month's pay for each full year of service, up to a maximum of 6 months' pay. This provision does not apply to a Pilot on probation in accordance with the provisions of Art 5.
- 9.04.02 The provisions of Art 9.04.01 do not apply where service is terminated for disciplinary, retirement, medical or resignations other than as a direct result of, or during, a furlough.
- 9.04.03 Any Pilot who is furloughed will have the option of choosing to remain on furlough or of severing his employment with the Company. However, at the end of 10 years of furlough, severance will be automatic unless otherwise mutually agreed between ACPA and the Company. In either case, severance pay based on a Pilot's service would be applicable less any furlough pay already received.
- 9.04.04 Severance pay will be based on the average earnings of the best 3 Block Periods during the last 12 months of active service prior to the effective date of severance.

ARTICLE 10 – ADMINISTRATION AND COMPANY/ASSOCIATION INTERACTION

10.01 Issuance of Agreement

- 10.01.01 The Company will, not later than 60 calendar days after signing the Agreement, distribute the printed Agreement to the Pilots. The format will be the same binder style of the Jeppesen route manual. The Company agrees to assume reasonable costs related to this printing and distribution.
- 10.01.02 The Seniority List is part of the Collective Agreement.

10.02 Check-off ACPA Dues

- 10.02.01 The Company shall deduct on the payroll for the first period of each month from wages due and payable to each Pilot (including Management Pilots) coming within the scope of this Collective Agreement an amount equivalent to the monthly dues of Association, subject to the conditions set forth hereunder.
- 10.02.02 The amount to be deducted shall be equivalent to the regular dues payment of ACPA and shall not include initiation fees or special assessments. The amount to be deducted shall not be changed during the term of Agreement excepting to conform with a change in the amount of regular dues of ACPA in accordance with its constitutional provisions.
- 10.02.03 Membership in ACPA shall be available to any Pilot eligible under the constitution of ACPA on payment of the initiation or reinstatement fees uniformly required of all other such applicants by ACPA. Membership shall not be denied for any reasons of race, national origin, colour or religion.
- 10.02.04 Deductions shall commence on payroll for the first pay period of the calendar month following completion of the first line flight in a position covered by this Agreement.
- 10.02.05 If the wages of a Pilot payable on the payroll for the first pay period of any month are insufficient to permit the deduction of a full amount of dues, no such deduction shall be made from the wages of such employee by the Company in such month. The Company shall not, because the employee did not have sufficient wages payable to him on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.
- 10.02.06 Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Company, and pension deductions shall be made from wages prior to the deduction of dues.
- 10.02.07 The Company shall not be responsible financially or otherwise either to ACPA or to any employee for any failure to make deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction of dues from a Pilot's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to ACPA, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this Article shall terminate at the time it remits the amount payable to ACPA.
- 10.02.08 The question of what compensation, if any, shall be paid the Company by ACPA in recognition of services performed under this Article shall be subject to reconsideration at the request of either party on 15 days' notice in writing.

- 10.02.09 In the event of any action at law against the parties hereto resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to the first paragraph of this Article, both parties shall cooperate fully in the defence of such action. Each party shall bear its own cost of such defence except that if at the request of ACPA, counsel fees are incurred, these shall be borne by ACPA. Save as aforesaid, ACPA shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by the Company as a result of any such deduction or deductions from payrolls.
- 10.02.10 Effective with the block month following ratification of the Collective Agreement Management Pilots shall pay dues on basic salary plus \$2000. Basic salary for Management Pilots will be determined as 78 hours DN including overseas and nav-aid pay where applicable, based on the equipment for which the management pilot is being paid.

10.03 Pilot Information

- 10.03.01 The Company agrees to maintain and provide access to an electronic logbook of time for flights flown by each Pilot dated January 1, 2011 and later.
- 10.03.02 The Company will continue to provide, to each Pilot, electronic access to the information currently available through Flight Operations systems pertaining to his work schedule.

10.04 Personnel Records

- 10.04.01 The Company will maintain one file containing information relating to items of a personnel nature for each Pilot at the Pilot's Base. A Pilot will be advised prior to having any material of any adverse, unfavourable or disciplinary nature placed in this file. This file may be reviewed by the Pilot, in the presence of Management.
- 10.04.02 Any adverse or unfavourable record, including past discipline, will automatically be deleted from a Pilot's file and will not be referred to or relied upon after a period of 24 months of active service from the date of the letter.
- 10.04.03 Copies of all reports, orders, and all practice, training and flight checks will be available for individual inspection during regular business hours. A Pilot will be advised of any material of a critical or unfavourable nature at the time such material is placed in his file.

10.05 Hold-Harmless Clause

- 10.05.01 The Company shall indemnify a Pilot or his estate and provide defence against any claims, whether by third parties or by fellow employees, arising out of such Pilot's performance of his duties with the Company as a Pilot unless such claims arise from the wilful misconduct of the Pilot.

10.06 Liability for Costs

- 10.06.01 No Pilot shall be required to pay for the use of any Company equipment used in personnel training required by the Company and no Pilot shall be required to pay damage costs of airplanes or equipment damaged in the service.

10.07 Communication with the Company

- 10.07.01 All arrangements with Pilots involving a change in Position will be in writing or via email.

10.08 Telephone Monitoring System

- 10.08.01 Air Canada and the ACPA agree to a telephone monitoring system in the System Flight Crew Scheduling Department.

- 10.08.02 The purpose of the system is to provide a record of conversations between system flight crew schedulers and Pilots covered by the collective agreement in the course of performing their duties.
- 10.08.03 It will be referred to when situations such as those listed below, are brought forth by either party:
 - 10.08.03.01 incident reports (contractual disputes/violations);
 - 10.08.03.02 letters of complaint; and
 - 10.08.03.03 grievances.
- 10.08.04 The following parameters have been agreed to by both parties:
 - 10.08.04.01 The system will not be used to monitor the performance or initiate discipline on an employee.
 - 10.08.04.02 When a situation described in Art 10.08.03 above occurs, ACPA or Crew Scheduling may request a review of a recording by providing a written request to the Manager, System Flight Crew Scheduling. This request will be initiated within 30 days of reasonable knowledge of this situation by ACPA or crew scheduler.
 - 10.08.04.03 When there is a requirement to review a recording, at least one representative of the Company and one representative of ACPA will be present. The affected employee(s) may also attend the review
 - 10.08.04.04 An unmonitored telephone line will be provided for calls from ACPA representatives to System Flight Crew Scheduling concerning matters arising from the collective agreement or other official business between the Company and ACPA.
 - 10.08.04.05 Recorded calls will be kept for at least 75 days.

10.09 ACPA Duty Release

- 10.09.01 The following Designated ACPA Representatives will be released from flight duty for the duration of their term in order that they may attend to ACPA business and related Company/ACPA meetings:
 - President
 - MEC Chair
 - LEC Chairs from each Base
 - Technical/Safety Committee Chair
- 10.09.01.01 The rate of pay for a Designated ACPA Representative will be in accordance with the Pilot's QPOS or APOS according to activation date under Art 20, and actual years of service to the 12th year. The Designated ACPA Representative will be paid DSC for the days in the Block Period plus appropriate Overseas and Nav pay. The Company will bear the cost up to MBG and ACPA will be billed for the remainder.
- 10.09.01.02 Designated ACPA Representatives will be non-bidders for annual vacation. ACPA will inform crew planning when a Representative plans to take vacation, which may be any time during the vacation year. All vacation will be taken within the annual vacation period. Notwithstanding the above, vacation may be deferred under special circumstances as requested by ACPA.
- 10.09.01.03 When a Designated ACPA Representative is on Vacation during his term he will be paid as per Art 19.07 and paid DSC for any remaining days in the Block Period.
- 10.09.01.04 When a Designated ACPA Representative is on an Aircraft Transition or Upgrade Training Course he will be paid as per Art 13.14 and once qualified, will be assigned as per Art 29.17 until the start of the next Block Period.

- 10.09.01.05 For Vacation, Aircraft Transition and or Upgrade training, ACPA will designate an alternate representative prior to the setting of DBM. The alternate representative will be paid DSC for each day in that replacement period. The replacement cost will be billed to ACPA.
- 10.09.02 ACPA will provide the Company, in advance, with the MEC meeting schedule for the calendar year. All MEC members will be released from flight duty for the regularly scheduled meetings as per Art 10.09.04.
- 10.09.03 When requested and subject to the needs of the service, other ACPA representatives will be released from flight duty in order that they may attend to ACPA business, in accordance with Art 10.09.04 or Art 10.09.05 or Art 10.09.06.
- 10.09.04 When ACPA representatives know the dates they need to be released from flying for ACPA business, the days will be blocked off in PBS. The Pilot will be given a start credit for the time required based on units of DSC. ACPA will provide the Company with a list of ACPA representatives and the days they need blocked off and start credits required by the 10th of the month prior to the Block Period in which the releases and time off are required.
- 10.09.05 When ACPA representatives are unable to confirm the dates they need to be released from flying for ACPA business, the Pilot will be given a start credit in PBS for the time off required based on units of DSC. ACPA will provide the company with a list of ACPA representatives and the start credits required by the 10th of the month prior to the Block Period in which the time off is required.
- 10.09.06 The Company recognizes that there will be times when unplanned displacements for ACPA business will be required during the Block Period. Subject to the needs of the service, the affected pilot will be displaced from his flying and the flying will be re-allocated or assigned at minimum cost to the party paying (the Company or ACPA). It is agreed that any flying from which a pilot is released for ACPA business (including business with the Company) may be re-allocated or assigned as follows:
- 10.09.06.01 **Blockholder** – When a Pilot holding a Block is released for ACPA business, the Company will re-allocate such flying at their discretion to Pilots on Reserve, regardless of seniority, to MPs, CPs and FIs for the purposes of training or checking, Pilots in training, Designated ACPA Representative (as defined in Art 10.09.01) or via the open time awarding process in Art 28.
- 10.09.06.02 **Pilots on Reserve** – A Pilot on Reserve released for ACPA business will automatically be credited and paid for any flying he would have been awarded. The Company may re-allocate such flying at their discretion to Pilots on Reserve, regardless of seniority, to MPs, CPs and FIs for the purpose of training or checking, Pilots in training or Designated ACPA Representative (as defined in Art 10.09.01).
- 10.09.06.03 Should the re-allocation of flights for which ACPA is bearing the cost result, at the end of the month, in additional costs to the Company then such costs would in turn be assumed by ACPA. Additional costs may include the pilot on Reserve flying above MBG to a maximum of the value of the reassigned pairing, the splitting of a pairing (extra DPG/TTG), AVO, pay in lieu and Draft costs. If, at any time during the month it becomes apparent that reallocation of such flights will not result in reduced costs to ACPA, then the normal seniority rights to such flying will be followed.
- 10.09.07 The Company will assume the release or displacement costs for ACPA Committee members who attend Company-ACPA meetings.
- 10.09.08 For the duration of negotiations (preparation time that is mutually agreed to, direct negotiations and ratification) up to 5 Pilots will be displaced and paid DSC plus applicable Overseas and Nav pay at Company expense and have their banks frozen. Vacation that falls within the negotiation period will be deferred. Deferred vacation will be taken following ratification of the contract as mutually agreed by the Company and ACPA.

10.09.09 ACPA Representatives traveling on ACPA business shall be issued passes when conducting Air Canada business.

10.10 ACPA / Management Headquarters Committee (AMHQ)

10.10.01 In recognition of the need for increased communication on matters of policy and discussion of issues which may have impact on ACPA, the Pilot group or the Company; a committee composed of senior representatives of ACPA, Flight Operations and Labour Relations will meet on a quarterly basis to review such matters.

10.10.02 Topics to be discussed will be exchanged two weeks in advance of the meetings.

10.10.03 Minutes of these meetings will reflect the discussion and any resolutions which may have been reached and will be distributed to senior management of Flight Operations and the ACPA Master Executive Council.

10.10.04 The Company and ACPA agree that this procedure is intended to complement and enhance current channels of communication.

10.11 New Equipment

10.11.01 The hourly, mileage and gross weight rates specified in this Agreement apply only to the equipment specified herein. One year prior to the anticipated date of introduction of a new type of equipment to regular airline operation and regardless of the provisions of Art 3 of this Agreement, conferences may be requested by either party for the purpose of negotiating Captains Hourly Flight Pay (Art 12.04.02.01), rules and working conditions which shall apply to such equipment. Conferences shall begin within 30 days after a request for a conference has been made, unless otherwise mutually agreed upon between the Company and ACPA. Failing settlement, provisions of the Canada Labour code will apply. No vacancies will be posted until all pay rates, rules and working conditions associated with the new equipment have been established.

10.11.02 The Company will provide ACPA with advance information on the introduction of any future freighter aircraft. At that time, the Company will commence consultation with ACPA regarding the planning for washroom facilities, galley set-ups and other associated pilot amenities on board in future freighter aircraft to ensure a satisfactory level of comfort, hygiene and safety prior to the introduction of the airplane into service.

10.11.03 The Company and ACPA agree to enter into discussions to establish pay and working conditions, should it be necessary to re-introduce previously operated Air Canada aircraft types.

ARTICLE 11 – SUPERVISORY FLYING

11.01 Supervisory Flying Allotment

- 11.01.01 Revenue flying equal to 240 hours annually times the number of MPs may be flown by MPs. MP revenue flying will be taken from Open Time in accordance with Art 28. The annual limit does not include displacements or pairings withheld for checking or training.
- 11.01.02 Should the MPs exceed the annual limit as per Art 11.01.01, a pay penalty equal to the dollar amount of the excess flying performed will be credited to ACPA to offset Association business displacement costs.
- 11.01.03 CP's normal flying will consist of pairings withheld for checking events as well as flying withheld for IOE and OE for new qualifications on existing equipment (e.g. A320 ETOPS), or introduction of a new aircraft type.
- 11.01.04 FIs and PPs will bid a schedule via PBS and will have start credits for pre-planned activities such as simulator and/or project work entered into the PBS system prior to the awarding of flying.
- 11.01.05 CPs, FIs, and PPs will be permitted to access Open Time in accordance with Art 28.
- 11.01.06 Non revenue flying may be flown by MPs, CPs, FIs or PPs without limits. Provided no revenue passengers or revenue cargo is carried, the following flying will be considered non-revenue:
 - 11.01.06.01 Airborne Flight Training, Publicity Flights, Aircraft Acceptance Flights, Maintenance Test Flights, Ferry Flights other than Placement Flights (e.g. Gear Down Ferry, or any other Maintenance Ferry Flight).
- 11.01.07 The Company will provide ACPA with a monthly report of the flying performed by each MP, CP, FI, and PP. This report will be submitted electronically in a timely fashion.

11.02 Check Pilot, Flight Instructor and Project Pilot

- 11.02.01 CPs, FIs and PPs will neither write disciplinary letters nor undertake any other disciplinary action.
- 11.02.02 CPs, FIs and PPs will be subject to all the provisions of the collective agreement except as amended herein:
 - 11.02.02.01 Simulator training and checking will be credited and Flight Time limited at 5.5 hours per day.
 - 11.02.02.02 Administration (office) days will be credited and Flight Time limited at 5 hours per day.
 - 11.02.02.03 Meetings will be credited and Flight Time limited at a minimum of 2 hours to a maximum of 5 hours per day.
- 11.02.03 A CP, FI and PP will have vacation scheduled by the Company for a period that is mutually agreeable to the Chief Pilot and the CP, FI or PP. A vacation request will not be unreasonably withheld. A maximum of 2 weeks vacation may be taken from June 15 to September 15.
- 11.02.04 A CP, FI or PP who will be in his assignment for less than an entire vacation year will bid his vacation in accordance with Art 19.
- 11.02.05 The CP, FI and PP scheduling rules may be changed upon mutual consent between the Company and ACPA to address issues that may result from the introduction of this new system.

11.03 Check Pilots

- 11.03.01 CP DBM will be 80 hours every Block Period and will be paid in accordance with Art 13.

- 11.03.02 CP schedules will be planned by the training department.
- 11.03.03 When a simulator session or an OE or IOE flight is cancelled the CP will be re-assignable in the same Block Period through mutual agreement between the CP and his immediate supervisor.
- 11.03.04 CPs with less than 80 hours of Block Credits will be assignable for extra credit duties.
- 11.03.05 All Block Credits in excess of the greater of 80 hours or the DBM for the line Pilots in the same Position will be credited to the CP's Bank as per Art 14.
- 11.03.06 When a CP has reached the AVO threshold (40 hours), any additional assigned credits (excluding block growth) above 80 hours will be reconciled as a start credit in the subsequent Block Period.

11.04 Flight Instructor and Project Pilot

- 11.04.01 FI's and PP's DBM will be 80 hours with a MBG of 74 hours every Block Period and paid in accordance with Art 13.
- 11.04.02 FIs and PPs will bid for flying using PBS. They will have days blocked off in PBS and will be given a start credit for pre-planned activities such as simulator sessions, administrative (office) days or meetings. They will operate any flights in their awarded Blocks.
- 11.04.03 Normal Pay Protection rules will apply. When a simulator session or a training event is cancelled, a FI or PP will be re-assignable in the same Block Period through mutual agreement with the Company.
- 11.04.04 A FI or PP on reserve will have his Reserve Block prorated based on the following formula:

$\frac{(80 \text{ minus total credit of known events}) \times (\text{days in Block Period} - 12)}{80}$	=	# of days on RSV
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Values of 0.5 or greater will be rounded up.

- 11.04.05 A FI performing IOE duties may be assigned flying through the training department or through the above mentioned PBS process for training purposes.
- 11.04.06 The bank threshold will be the greater of 80 hours or the DBM for line Pilots in the same Position.
- 11.04.07 When a FI/PP has reached the AVO threshold (40 hours), any additional assigned credits (excluding block growth) above 80 hours will be reconciled as a start credit in the subsequent Block Period.

ARTICLE 12 – PAY RATES

12.01 Pay Progression

- 12.01.01 A Pilot's pay progression date will be the earlier of:
 - 12.01.01.01 the day following the successful completion of his initial line check; or
 - 12.01.01.02 90 days from the start of his Pilot Indoctrination Training course; or
 - 12.01.01.03 the day following the successful completion of the initial line check of a Pilot who is junior to him.

12.02 Accredited Service

- 12.02.01 Accredited service for pay purposes shall not accrue:
 - 12.02.01.01 during any period of furlough;
 - 12.02.01.02 during that portion of any continuous leave of absence without pay in excess of 30 days, except that leaves granted to permit attendance of pilots at conferences with the Company and leaves granted to permit pilots to attend any conferences with Company permission will be considered as continuous service.

12.03 Fixed Rate

- 12.03.01 Pilots in their first 4 years of service will receive hourly pay in accordance with the following table:

<i>Period</i>	<i>Hourly Pay</i>
1 st Year	\$46.94
2 nd Year	\$51.82
3 rd Year	\$59.64
4 th Year	\$67.45

12.04 Formula Pay

Note: LCC pay rates are contained in LOU 74.

12.04.01 All Pilots – Hourly Base Pay

- 12.04.01.01 Pilots in their 5th year of service and after will receive Hourly Base Pay in accordance with the following table:

5 th year	\$22.95
6 th year	\$24.59
7 th year	\$26.13
8 th year	\$27.79
9 th year	\$29.37
10 th year	\$30.96
11 th year	\$32.53
12 th year	\$34.11

12.04.02 Captains Flying Pay

12.04.02.01 In addition to Hourly Base Pay, Captains within their 2nd year of service and after shall be paid Flying Pay, consisting of Hourly Flight Pay, Hourly Mileage Pay and Hourly Weight Pay in accordance with the following tables:

<i>Hourly Flight Pay</i>		
	<i>Day</i>	<i>Night</i>
EMJ	\$51.5630	\$67.0319
A-320	\$71.0945	\$92.4229
B-767	\$76.6830	\$99.6879
B-787	\$80.4770	\$104.6201
A-330	\$80.4770	\$104.6201
B-777	\$80.4770	\$104.6201

Note: Night rate is 1.3 times Day rate

<i>Hourly Mileage Pay</i>			
	<i>Mach Number for Variant</i>	<i>Mileage Factor</i>	<i>Hourly Rate</i>
EMJ	M .82	\$52.7131	\$43.2247
A-320	M .82	\$52.7131	\$43.2247
B-767	M .86	\$52.7131	\$45.3333
B-787	M .89	\$52.7131	\$46.9147
A-330	M .86	\$52.7131	\$45.3333
B-777	M .89	\$52.7131	\$46.9147

<i>Hourly Weight Pay</i>			
	<i>Weight in Tonnes for Variants Flown</i>	<i>Weight Factor</i>	<i>Hourly Rate</i>
EMJ	51.960	\$0.1915	\$9.9503
A-320	93.400	\$0.1915	\$17.8861
B-767	187.333	\$0.1915	\$35.8743
B-787	See Art 12.04.02.01.02	\$0.1915	See Art 12.04.02.01.02
A-330	230.900	\$0.1915	\$44.2174
B-777	345.637	\$0.1915	\$66.1895

12.04.02.01.01 When computing rates of pay for aircraft, the above mileage and weight factors will be used.

12.04.02.01.02 The weight of the B-787 fleet shall be reviewed (and adjusted if the fleet mix changes) upon introduction and each subsequent January and July using the following formula:

<i>Variant</i>	<i>Weight in Tonnes</i>
B-787-8	227.930
B-787-9	247.208

$$\frac{((\text{number of B-787-8}) \times (227.930 \text{ T}) + (\text{number of B-787-9}) \times (247.208 \text{ T}))}{\text{Total number of B787 aircraft}}$$

12.04.02.01.03 For the purpose of such reviews, the number of each type of aircraft in service shall be determined by reference to the numbers projected to be in service at the mid-point (i.e. April 1st or October 1st) of the period in question.

12.04.02.02 A Pilot who is qualified as a Captain in his first 4 years of service will be paid normal formula pay in accordance with his qualified position. The Hourly Base Pay amount will be as follows:

1 st year	\$16.67
2 nd year	\$18.25
3 rd year	\$19.83
4 th year	\$21.43

12.04.03 FOs and RPs

12.04.03.01 In addition to Hourly Base Pay, FOs and RPs with 5 or more years of service with the Company shall be paid a percentage of the Captain's Flying Pay in accordance with the following table:

<i>Years of Service as Pilot</i>	<i>FO % of Capt Flying Pay</i>	<i>RP % of Capt Flying Pay</i>
5 th Year	48.0%	28.0%
6 th Year	49.5%	29.0%
7 th Year	51.0%	30.0%
8 th Year	52.5%	31.0%
9 th Year	54.0%	32.0%
10 th Year	55.5%	33.0%
11 th Year	57.0%	33.0%
12 th Year and after	58.5%	33.0%

12.04.04 Overseas Pay

12.04.04.01 Overseas Operations is defined as:

12.04.04.01.01 Any flight operation that departs and/or arrives outside of Canada, the United States (excluding Hawaii), Mexico, the Bahamas and the Territorial Collectivity of Saint-Pierre-et-Miquelon; and

12.04.04.01.02 any other flying operations, not described in Art 12.04.04.01.01, which may be mutually agreed upon between the Company and ACPA to be overseas operation.

12.04.04.02 Except for Pilots on Fixed Rate, each Pilot when serving as Captain, FO or RP who flies on the Company's overseas operations shall be paid an overseas premium for each hour of such flying during the month as follows:

Captain	\$9.8645
FO	\$5.3799
RP	\$3.5871

12.04.05 Nav Pay

12.04.05.01 Except for Pilots on Fixed Rate, a Pilot, when serving as Captain, FO or RP on a EMJ or A-320 series aircraft who flies on the Company's overseas operations shall be paid a Nav premium for each hour of such flying during the month as follows:

Captain	\$8.9680
FO	\$4.4836
RP	\$2.6900

12.05 Annual Wage Increases

12.05.01 The rates in Art 12.03 and Art 12.04w will be increased according to the following:

<i>Effective Date</i>	<i>Increase</i>
April 2, 2011	2%
August 1, 2012	5%
April 2, 2013	3%
April 2, 2014	2%
April 2, 2015	2%

ARTICLE 13 – PAY PROVISIONS

13.01 Pay Advances

13.01.01 A pay advance in the following amounts will be distributed on approximately the 1st banking day of each month:

- Captains: \$4,000
- First Officers: \$3,000
- Relief Pilots: \$2,000

13.01.02 The pay advance will be deducted from the subsequent pay cheque paid in the next month normally no later than the 17th day of that month.

Example:

- First banking day in April - Pay advance for the month of April
- April 17th - Final pay for the month of March

13.02 Calculation of Individual Pay

13.02.01 Each Pilot will be credited with the greater of:

13.02.01.01 his (pro-rated) MBG; or

13.02.01.02 his actual Flight Time and credits, to a maximum of the greater of DBM or 80 hours, in any one Block Period.

13.02.02 A Pilot's pay will be credited to the Pilot as the lesser of:

13.02.02.01 Flight Time Credits as earned up to the greater of DBM or 80 hours; or

13.02.02.02 his pro-rated DBM.

13.02.03 Credits over the limits in Art 13.02.02, excluding Block growth, shall be credited to the Pilot's bank.

13.03 Flight Time and Block Growth

13.03.01 For Flying Pay purposes, the hours paid shall be the greater of the published schedule time or the actual Flight Time.

13.03.01.01 Where there is no published schedule, the flight times established for planning purposes shall be considered as the published schedule time for pay purposes.

13.03.01.02 For arrivals ahead of schedule on any flight leg for which premiums and/or DPG/TTG apply, the credits shall be calculated as though the last flight leg was flown according to the published schedule.

13.04 Minimum Block Guarantee (MBG)

13.04.01 Each Pilot, shall be paid a MBG either as a Fixed Rate or consisting of Hourly Base Pay, hourly, mileage and gross weight pay in accordance with his equipment status at DN rates as follows:

<i>DBM</i>	<i>MBG Block / Reserve</i>
70	60 / 65
71	60 / 65
72	63 / 67
73	63 / 67
74	63 / 67
75	64 / 68
76	65 / 69
77	66 / 70

<i>DBM</i>	<i>MBG Block / Reserve</i>
78	66 / 70
79	67 / 71
80	68 / 72
81	69 / 73
82	70 / 74
83	71 / 75
84	72 / 76
85	73 / 77

13.04.02 Except for Pilots on Fixed Rate, in addition to Art 13.04.01, each Pilot shall be paid MBG including overseas and Nav pay. For the purpose of these guarantees the overseas pay and Nav pay hours shall be as follows:

<i>Equipment</i>	<i>Overseas hours</i>	<i>Nav hours</i>
EMJ	1	1
A-319/320/321	3	3
B-767	71	0
A-330	71	0
B-787	71	0
B-777	71	0

13.04.03 In the event that new aircraft equipment is flown on overseas routes a MBG, including the appropriate overseas and Nav pay, shall be established in accordance with the ratio of overseas/domestic hours to be flown.

13.04.04 When a pilot holds a reserve assignment for less than the complete Block Period due to training, vacation, sickness, furlough or leave of absence without pay, the MBG will be pro-rated on a daily basis.

13.04.05 A Pilot's MBG shall be prorated on a daily basis during the Block Period when removed from or returned to the payroll.

13.04.06 A Pilot on Reserve who is away for part of a month due to sick leave will be paid as per Art 31.07.02.

13.05 Miscellaneous and Exceptions

13.05.01 When a Pilot flies more than one type of equipment during a Block Period his MBG shall be based on the higher rated equipment.

13.05.02 When a pilot is required by the Company to stand reserve on more than one type of equipment during a Block Period, his MBG shall be based on the higher rated equipment, plus any overseas differential which may apply.

13.05.03 The MBG provided for in this article shall not apply to those Pilots who are unable to fly because all or part of the Company's fleet are grounded for reasons beyond the Company's control.

13.06 MBG Pro-Rate Formula:

$$\frac{\text{(Number of available work days in period x MBG)}}{\text{Number of days in Block Period}} = \text{Prorated MBG}$$

Example: Training / Vacation

A Pilot on Reserve is on vacation for 14 days in a 31 day Block, and accrues 43 hours in the period worked. The MBG for the Block Period is 74 hours, the DBM is 82 hours:

1. For the period worked, he will be paid the greater dollar value of:

40h35 (prorated MBG: $17 \times 74 \text{ hours} \div 31$) OR 43 hours of actual flying time

PLUS

40h50 (14 x 2h55) for the vacation period,

2. The Pilot will receive Block Credits of 83h50 (43h00 + 40h50).

Since this exceeds the greater of DBM or 80 hours, the Pilot will actually be paid 82 hours, the extra 1h50 will be credited to his bank.

Note: If the Pilot had been on training for the 14 days, Art 21 applies.

13.07 Minimum Pay – Fail to Fly

13.07.01 When a Pilot reports for duty and, for reasons beyond his control, fails to fly, normal DPG rules will apply, except that he will receive a minimum of 2 hours credit for flight time limitation purposes, and a minimum of 2 hours flight pay. The provisions of this paragraph shall not apply to airborne training events. The above mentioned 2 hour flight pay will be paid at DN rates.

13.08 Overtime Premium

13.08.01 In any Block Period where a Pilot's Flight Time credits plus DPG and/or TTG, exceed 85 hours, those hours in excess of 85 hours, less any credits applied from the Pilot's bank will attract a 50% premium (cash cleared).

13.09 Draft Premium

13.09.01 A draft premium equal to 50% of the Flight Time credit pay hours will be paid (cash cleared) including any applicable deadhead, TTG or DPG under the provisions of Art 30.09.

13.10 Flights Overlapping Block Periods

13.10.01 In the event a flight(s) overlaps the end of the Block Period, time accrued in the originating Block Period will be credited and paid up to the greater of DBM or 80 hours, and any excess shall be credited to the Pilot's bank. Time accrued in the new Block Period will be credited and paid in that Block Period.

13.11 Operating as Augmentation Pilot or Out of Status

13.11.01 Captain Operating as Augmentation Pilot, First Officer or Relief Pilot:

13.11.01.01 When a Captain operates as Augmentation Pilot, FO or RP, he will be paid at Captain rates.

13.11.02 First Officer Operating as Augmentation Pilot or Relief Pilot:

13.11.02.01 When a FO operates as Augmentation Pilot or RP, he will be paid at FO rates.

13.12 CP, FI and PP Premium

13.12.01 Pay rates for CPs, FIs and PPs will be based on the Pilots' QPOS or APOS activation date under Art 20, and actual years of service to the 12th year

13.12.02 Check Pilot:

13.12.02.01 Block pay will be a minimum of 80 hours DN plus applicable overseas pay, Nav pay as per the following:

13.12.02.01.01 For the B777, B787, A330, B767: 80 hours DN (plus 71 hours of overseas)

13.12.02.01.02 For the A320: 80 hours DN (plus 3 hours of Nav and 3 hours of overseas)

13.12.02.01.03 For the EMJ: 80 hours DN (plus 1 hour of Nav and 1 hour of overseas);

13.12.02.01.04 Or, the actual flying credits whichever is greater.

13.12.02.02 A 12% premium will apply for all of the above except for Flying credits greater than 80 hours which are not for checking or training purposes.

13.12.03 Flight Instructor and Project Pilot:

13.12.03.01 Block pay will be a minimum of 74 hours DN plus applicable overseas and Nav pay as per the following:

13.12.03.01.01 For the B777, B787, A330, B767: 71 hours of overseas

13.12.03.01.02 For the A320: 3 hours of Nav and 3 hours of overseas

13.12.03.01.03 For the EMJ: 1 hour over Nav and 1 hour of overseas

13.12.03.01.04 Or, the actual Flying Pay whichever is greater.

13.12.03.02 A 12% premium will apply for all of the above except for Flying credits greater than 80 hours which are not for training purposes.

13.13 Initial Operational Experience Training Captain (IOETC)

13.13.01 IOETC will receive a premium of 12% on all Flying Pay while performing IOE training. All meetings will be cash cleared at 4 hours DN per day.

13.14 Training Pay

13.14.01 A Pilot on Aircraft Transition, Re-qualification, or Upgrade Training (ground school, simulator, flight training, and/or any necessary additional training), shall be credited with 2h40 for flight time limitation and pay purposes for each calendar day of training including overseas and Nav pay.

13.14.02 Commencing when a Pilot is qualified to be released to the line indoctrination phase of training and ending upon successful completion of his QOE, for flight time limitation purposes a Pilot shall be credited with his actual flying performed including all applicable TTG, DPG and deadhead credits. For pay purposes he shall be paid 2h40 for each calendar day including overseas and Nav pay. Any excess flying time and credits associated with this flying (including DPG, TTG and deadhead credits) greater than 2h40 times the number of days will be paid at the new position rates.

13.14.03 A Pilot will be paid 4 hours per day at DN for each recurrent simulator session, and each day of ART. When a Pilot is required to attend any other special training (such as Introduction to Command Training, new aircraft equipment or revised aircraft procedures briefings, etc.) that occurs outside of a qualification course, he will be paid 4 hours per day at DN. These credits will not be used for flight time limitation purposes and will not be part of the MBG.

13.14.04 Any additional training resulting from an unsatisfactory or incomplete assessment related to recurrent training events shall not attract additional pay.

13.14.05 A Pilot assigned to simulator for the sole purpose of completing a crew complement shall be paid 4 hours, DN per session. This credit will not be used for flight time limitations and will not be part of the MBG.

13.14.06 A Pilot who, for reasons beyond his control, is unable to return from his simulator within the same duty period in which he was scheduled to return to his home Base will receive 4 hours pay DN. These credits will not be used for flight time limitation purposes and will not be part of the MBG. This provision will not apply to Pilots who request and are granted changes to their planned simulator period.

13.14.07 A Pilot who reports for duty for a scheduled simulator period at home Base or deadhead to simulator and for reasons beyond his control is unable to complete such period will receive 2 hours pay DN. These credits will not be used for flight time limitation purposes and will not be part of the MBG.

13.14.08 A Pilot who reports for a scheduled simulator period at other than his home Base and for reasons beyond his control is unable to complete such period will receive 4 hours pay DN. These credits will not be used for flight time limitation purposes and will not be part of the MBG.

13.14.09 Overseas and Nav on a Training Course:

13.14.09.01 B777, A330, B787 and B767 Pilots on a training course will be paid 100% overseas pay in accordance with Art 12.04.04 and Art 12.04.05.

13.14.09.02 A320 Pilots on a training course will be paid 10% of the overseas and Nav pay. Should future A320 overseas flying increase to a level greater than 10% of all flying performed by the A320 fleet on an annual basis, the parties agree to meet and review an adjustment to the percentage of overseas and Nav pay for the A320 Pilots.

13.14.09.03 EMJ Pilots on a training course will be paid 1% of the overseas and Nav pay. Should future EMJ overseas flying increase to a level greater than 1% of all flying performed by the EMJ fleet on an annual basis, the parties agree to meet and review an adjustment to the percentage of overseas and Nav pay for the EMJ Pilots.

13.15 Duty Period Guarantee (DPG) and Trip Time Guarantee (TTG)

13.15.01 The greater of DPG and TTG will apply.

13.15.02 Duty Period Guarantee (DPG):

13.15.02.01 For each flight duty period worked, a Pilot shall be guaranteed a minimum duty period of 4h25 for pay and flight time limitations, or 1 minute pay and flight time credits for each 2 minutes of duty prorated whichever is greater. Any such credit shall be calculated for pay purposes as an extension of the last leg of the duty period.

13.15.02.01.01 Where a single flight duty period consists of both overseas and domestic operations, the domestic flight DPG shall apply until the departure time of the first flight leg for which Overseas Operations Pay applies and shall apply commencing at the arrival time of the return flight leg for which Overseas Operations Pay applies.

13.15.02.01.02 If a Pilot is held at the airport at Company request, DPG will apply, except that the minimum applicable DPG credit will become a minimum of 2 hours credit if no flying is performed in that duty period.

13.15.03 Trip Time Guarantee (TTG):

13.15.03.01 In the case of trips which involve layover(s) away from home Base, a Pilot shall be guaranteed 1 minute of flight time credits and pay for each 4 actual minutes of trip time. Trip time shall be counted from the time a Pilot is required to report for duty at his home Base or actual reporting time, whichever is later, to the time a Pilot is released from duty 15 minutes after arrival at his home Base.

13.15.03.01.01 TTG will be calculated for pay purposes as an extension of the last flight leg of the pairing except where a combination of Overseas and Domestic flight legs are involved; in which case the ratio of Overseas/Domestic Trip time will be calculated as a percentage of the total TTG.

13.16 Retired Equipment

13.16.01 Effective the Block Period following the removal of all aircraft in a fleet type, the affected Pilots will be paid the greater of the following until qualified on another equipment type:

13.16.01.01 Their DAE; or

13.16.01.02 Reserve MBG for DBM 80.

13.17 Subject to mutual agreement between the Pilot and the Company, Pilots who do not hold an awarded position as a result of being posted off pending retirement in accordance with Art 20, may re-qualify to another equipment type on which the Pilot was previously qualified. Rates of pay for Pilots who re-qualify to a lower rated position under this provision will be protected at the higher rate of pay.

ARTICLE 14 – BANK PLAN

14.01 Bank Credits and Debits

- 14.01.01 Except as outlined in Art 14.01.03, Art 14.01.04, and Art 14.01.10, any Pilot whose Block Credits, excluding block growth, exceeds the greater of DBM or 80 hours will have the excess placed in his bank where it will accumulate and be used:
- 14.01.01.01 to obtain pay to the greater of DBM or 80 hours; or
- 14.01.01.02 to extend vacation; or
- 14.01.01.03 at Pilot option, to be cash cleared, in whole or in part in conjunction with his pay.
- 14.01.02 All block growth credits will be cash cleared.
- 14.01.03 Block Credits in excess of the greater of DBM or 80 hours will be credited to the Pilot's bank to a maximum of 20 hours at night rates for the equipment flown or to which the Pilot is otherwise entitled. Any remaining credits above 20 hours will be automatically cash cleared at night rates.
- 14.01.04 Notwithstanding the above, a Pilot whose Block Credits exceed the greater of DBM or 80 hours, as a direct result of a Draft from home Base where the Pilot has already reached his AVO threshold, will have the excess credits above the greater of DBM or 80 hours, minus any applicable block growth, applied as a start credit in PBS for the subsequent Block Period.
- 14.01.05 When a Pilot's Block Credits are less than the greater of DBM or 80 hours, any credit in his bank will automatically be debited and used to increase his Block Credits up to the greater of DBM or 80 hours. Under this provision, the bank credit will be applied to the MBG specified in Art 13.04.
- 14.01.06 The Company will not use Bank time to offset MBG.
- 14.01.07 In cases where MBG does not apply, such as a drop-no-credit, bank time will be debited to increase Block Credits up to the greater of DBM or 80 hours.
- 14.01.08 In the event of a change in a Pilot's Position, bank credits will be carried forward and converted to hours and minutes in relation to the Pilot's Position rates. Under this process, credits in excess of 20 hours will be cash cleared.
- 14.01.09 Overseas and Nav pay will be paid to the Pilot in the Block Period in which the flight originated.
- 14.01.10 A Pilot whose Block Credits consist solely of vacation credits (including vacation extension using bank credits) will have the hours above the greater of DBM or 80 hours automatically cash cleared.
- 14.01.11 A request to cash clear all or part of a Pilot's bank must be made no later than 2 days after the start of the new Block Period.

14.02 Negative Bank

- 14.02.01 The Negative Bank will be capped at negative 13h30.
- 14.02.02 When a Pilot's Block Credits are less than the greater of DBM or 80 hours, the Pilot may elect to borrow from the bank to obtain a maximum of the greater of DBM or 80 hours. The amount borrowed from the bank will be paid at night rates.
- 14.02.03 Any bank credits earned will be used to offset negative bank.
- 14.02.04 A Pilot who elects to borrow from the bank must advise Crew Scheduling no later than 2 days after Block Period end.
- 14.02.05 When a Pilot retires, is terminated, or otherwise ceases employment, any negative bank balance owed to the Company will be deducted from the Pilot's final pay.

14.03 Prorated DBM for Bank Action Purposes

14.03.01 A Pilot assigned to the line for less than a full Block Period will have his DBM prorated for bank action purposes as follows:

$$\boxed{\begin{array}{c} \# \text{ of days} \\ \text{assigned to} \\ \text{the line} \end{array}} \div \boxed{\begin{array}{c} \# \text{ of days in} \\ \text{the Block} \\ \text{Period} \end{array}} \times \boxed{\begin{array}{c} \text{The greater of} \\ \text{DBM or 80 hours} \end{array}} = \boxed{\begin{array}{c} \text{Prorated} \\ \text{DBM} \end{array}}$$

14.04 Vacation Extension Using Positive Bank Credits

14.04.01 A Pilot with positive bank credits may request a bank drop in conjunction with vacation. The bank credit will be applied at a rate of 2h55 per day and will be limited to a maximum of 6 days per vacation period. Requests for positive bank drops in conjunction with vacation must be received as soon as possible by the Company but no later than the 10th day of the month prior to the beginning of the Block Period in which the days are intended to be used. The Company may decline a bank drop request based on crewing capacity as determined by any one of the following:

14.04.01.01 the DBM for that Position in that Block Period being at the maximum value; or

14.04.01.02 the difference between DBMs for that Position between Bases being at the maximum value; or

14.04.01.03 the projected annual calendar total maximum hours being at the contractual limit.

14.04.02 If bank drop in conjunction with vacation is permitted under the above conditions, it will be awarded in seniority order until one of the above limits is reached.

ARTICLE 15 – INSURANCE, MEDICAL, AND DENTAL

15.01 General

15.01.01 The Company will provide and pay for the benefits outlined in the following benefit plans:

- Basic Group Life plan
- Basic Accidental Death, Dismemberment and Loss of Use Insurance plan
- Accidental Death, Dismemberment and Loss of Use – Crew Cab Insurance plan
- Supplemental Health Plan
- International SOS Medical Assistance Program
- Dental Plan

15.01.02 All Pilots and their eligible dependents will be covered by these plans as of the Pilot's date of employment as a Pilot.

15.02 Group Insurance

15.02.01 Life Insurance:

15.02.01.01 The Company will pay 100% of the first \$100,000 of Group Life Insurance; the premium the remainder will be shared 50/50 between the Company and the employee. The Company will provide the following coverage through the Basic Group Life Plan:

Captains	\$225,000
First Officers and Relief Pilots (3 rd year and thereafter)	\$175,000
First Officers and Relief Pilots (1 st and 2 nd year)	\$125,000

15.02.02 Retirement Paid Up Life Insurance:

15.02.02.01 The post retirement paid up insurance will be 25% of the group life insurance to a maximum of \$25,000 for Captains and \$17,500 for First and Second Officers and Relief Pilots.

15.02.03 Accidental Death, Dismemberment and Loss of Use:

15.02.03.01 An Accident Insurance policy, including Accidental Death, Dismemberment and Loss of Use (AD&D/LU), will be provided and paid for by the Company with the following coverage:

Captains	\$300,000
First Officers and Relief Pilots (3 rd year and thereafter)	\$250,000
First Officers and Relief Pilots (1 st and 2 nd year)	\$200,000

15.02.03.02 The Company will provide and pay for \$500,000 additional Accidental Death, Dismemberment and Loss of Use insurance for Pilots while travelling in ground transportation provided by Air Canada when on Company business.

15.02.04 Smoke Inhalation Insurance:

15.02.04.01 Smoke inhalation insurance will be provided in the amount of \$110,000.

15.03 Supplemental Health Plan

15.03.01 The Company will provide and pay for the present Company Supplemental Health Plan. The Plan includes the International S.O.S Medical Assistance program.

- 15.03.02 The benefits that the Company will provide through the Supplemental Health Plan will be increased in accordance with the following:
- 15.03.02.01 Coverage for vision care will include up to \$225.00 every 24 months and contact lenses for specific cases to be \$300.00 per eligible person. Pilots who have a License Validation Certificate requiring “glasses worn” or “glasses available” may claim a second pair of prescription glasses to an amount of \$225.00 every 24 months.
 - 15.03.02.02 The lifetime maximum benefit payable under the plan in respect of each eligible person will be \$50,000 with \$2,000 annual reinstatement.
 - 15.03.02.03 The coverage for private hospital rooms under the plan will be 90% of the difference between semi-private and private room coverage.
 - 15.03.02.04 Psychologist services will be covered at 50% of each visit up to a maximum of \$500 per year per employee or \$1000 per family.
 - 15.03.02.05 Coverage will be provided for the purchase or repair of hearing aids up to a maximum of \$750 per eligible person in a 5 year period. The Plan will also provide for the reimbursement of cochlear implants.
 - 15.03.02.06 Coverage for out of hospital nursing services that are determined to be reasonably or medically necessary will be increased to \$150 per day and \$7500 per year for each eligible person.
 - 15.03.02.07 Coverage will be provided for hyperbaric oxygen therapy and hyperbaric chamber treatment.
 - 15.03.02.08 The eligible expenses for the services of chiropractors, osteopaths, naturopaths, and podiatrists will each be covered to a maximum of \$50 per visit and \$100 for x-rays and limited to \$1000 per year per eligible person or \$2,000 per family per year.
 - 15.03.02.08.01 The Company will cover the difference between the amount paid under any provincial plan and the benefit that would otherwise be payable pursuant to the Supplemental Health Plan, for chiropractic, osteopathic, naturopathic, and podiatry services. This special undertaking is not extended to any other benefit under the plan.

15.04 Medical Services for Non-Residents

- 15.04.01 Basic hospital and medical expenses for Pilots residing outside of Canada i.e., standard ward hospital accommodations and related services, as well as physicians’ fees, are not covered by the Air Canada Health Plan.
- 15.04.02 Pilots residing outside of Canada are eligible, based on the current cost in Ontario with the applicable “maximums”, for all other services described in the Health section of the Employee Handbook. Eligible expenses under the Air Canada Health Plan are; private or semi-private hospital room, ambulance, hearing aids, diabetic supplies, medical services and supplies, surgical brassieres or camisoles, orthopaedic boots or shoes, physiotherapy, drugs requiring a written prescription, prescribed drugs to eliminate the use of tobacco, services of a qualified psychologist, nursing services and speech therapy.
- 15.04.03 Vision care coverage for prescribed lenses and frames and contact lenses is the same as coverage for Pilots residing in Canada with expense amounts being payable in Canadian dollars.
- 15.04.04 The Dental Plan reimburses eligible dental expenses, as described in the Dental Section of the Employee Handbook, subject to certain “maximums”, in Canadian dollars based on the current Ontario dental fee guide.

15.05 Dental Plan

- 15.05.01 The Company will provide and pay for the Company Group Dental Plan. The Company will be the sole policy holder and administrator of the above mentioned plan.

- 15.05.02 The Company will provide the following coverage through the Company Group Dental Plan:
- 15.05.02.01 The annual maximum covered expense is \$2000 per eligible person.
 - 15.05.02.02 Orthodontic coverage for eligible dependent children is \$2500.
 - 15.05.02.03 Basic Dental Services will be 90%.
- 15.05.03 For Pilots married to a member of the Dental and Supplemental Health Plans, co-ordination of benefits is allowed.
- 15.05.04 No changes and/or amendments to the benefits will be made without the agreement from ACPA.

15.06 Company Insurances in War Zones

- 15.06.01 All Air Canada insurances will be in effect while on Air Canada business in areas of both declared and undeclared wars.

15.07 Missing and Internment Benefits

- 15.07.01 Any Pilot who, while engaged in the course of his duties for the Company, becomes missing or is reported interned, captured, or held as a prisoner or hostage or is missing under circumstances which would indicate being interned, captured or held prisoner or hostage, shall be allowed compensation calculated on the average daily earnings of the best three (3) block months during the last twelve (12) months of active line service prior to the time he became missing, was captured or held prisoner or hostage. The daily average flying pay shall be adjusted to include negotiated pay increases.
- 15.07.01.01 Such compensation will continue for the period during which the Pilot is interned, captured, or held as prisoner or hostage or until the Pilot is able to return to regular line duty, subject to the conditions of Art 31.08. When a Pilot remains missing, the compensation allowed under this article will continue until the date that the Pilot's death is established in fact or for a maximum of 7½ years (or for the period described in the applicable laws).
- 15.07.02 The monthly compensation allowable under Art 15.07.01 will be credited to the Pilot and will be dispersed by the Company in accordance with written directions from him. The Company will request from each Pilot hereafter employed to execute and deliver to the Company, prior to such employment, a written direction in the form prescribed in Art 15.07.06. The Company will, as soon as practicable, request all Pilots now employed to execute and deliver to the Company such a written direction.
- 15.07.03 Any amounts credited to the account of a Pilot or paid to his beneficiary in accordance with the provisions of Art 15.07, will not be required to be returned by such beneficiary or by the estate of the Pilot even though it is established that such payments were made after the death of the Pilot, nor will such amounts be a charge against the estate of the Pilot, provided that such beneficiary will have furnished the Company with any evidence indicating the death of the Pilot promptly after its receipt.
- 15.07.04 As an alternative to paying compensation in accordance with Art 15.07.01, the Company may pay the difference between the amount of such compensation and the amount of any compensation provided for by law in respect of persons missing, interned, captured, held as prisoner or hostage as described in Art 15.07.01.
- 15.07.05 Any payments due to the Pilot under Art 15.07, which are not covered by a written direction as above requested, will be held by the Company for any such Pilot in an interest bearing account in the Pilot's name. In the event of reasonable presumption of a Pilot's death, in accordance with the applicable laws, all monies will be paid to the legal representative of his estate.

15.07.06 The direction referred to in Art 15.07.02 will be in substantially the following form:

To: Air Canada Date _____

You are hereby directed to pay all monthly compensation allowable to me under the terms of Art 15.07.02 of the Agreement between Air Canada and the Air Canada Pilots Association as follows:

1. Name: _____

Address: _____

As long as living, or

2. Bank or Trust Company: _____

Transit Number: _____

Account number: _____

The foregoing direction may be modified by letter signed by the undersigned, and any modifications will become effective upon receipt of such letter.

The balance, if any, and any amounts accruing after death to all persons designated will be held for me or, in the event of my death before receipt thereof, will be paid to the legal representative of my estate.

Payments made by the Company pursuant to this direction will fully release the Company from any further claims to compensation on my behalf under Art 15.07 of the Agreement between Air Canada and the Air Canada Pilots Association.

Pilot's name

Pilot's Employee Number

Pilot's Signature

Witnessed by Air Canada

ARTICLE 16 – GROUP DISABILITY INCOME PLAN – PILOTS

16.01 General

- 16.01.01 Purpose of the Plan – The “Air Canada Group Disability Income Plan – Pilots” will provide a reasonable level of income protection during periods that a Pilot is, for medical reasons, unable to perform his regular duties, subject to the limitations herein.
- 16.01.02 Application for Membership – “Record of Participation” ACF850, includes Group Life, Supplementary Health and Disability Income Plans. Form ACF850 will be prepared in duplicate, with the original being forwarded to Payrolls, Winnipeg 849, and the copy retained on local file.
- 16.01.03 Certificate of Membership – No individual certificates are issued under this plan.
- 16.01.04 Participation in the plan is a condition of employment (including Pilots in-training).
- 16.01.05 There is no conversion privilege for this insurance.
- 16.01.06 The total monthly premium for this Group Disability Income Plan is paid by the Company.

16.02 Covered Earnings for the Calculation of Benefits

- 16.02.01 Maximum Covered Salary:
 - 16.02.01.01 The maximum covered monthly salary will be \$21,000
- 16.02.02 Monthly Earnings:
 - 16.02.02.01 His presumed earnings at the time of his original disability will be based on his DAE or the average earnings of the last 12 Block Periods, whichever is the greater, immediately preceding the date on which the disability commenced.
 - 16.02.02.02 If there is a revised salary schedule or collective agreement which is retroactive to a date prior to the last day entitled to pay there will be an adjustment to the benefits payable.

16.03 Disabilities Covered by the Plan

- 16.03.01 The following levels of disability conditions are covered by the plan:
 - 16.03.01.01 “Disabled” – A Pilot will be considered disabled if Air Canada Occupational Health Services or Transport Canada determine that, for medical reasons, he is unfit to fly.
 - 16.03.01.02 “Totally Disabled” – A “totally disabled” employee is one whose condition is judged by Air Canada Occupational Health Services to be such that he is unable to work at any job for which he is reasonably fitted by education, training or experience.
 - 16.03.01.03 “Medically Restricted Return to Duty” – A Pilot returning to flight duty with a medically restricted license which precludes him from occupying his former Position will have his Group Disability Benefit pay the difference between his actual earnings in the restricted Position and his presumed earnings at the time of his original disability.
 - 16.03.01.03.01 Allowable service will continue to accrue during the period that a Pilot is in receipt of benefits.
 - 16.03.01.03.02 Pensionable earnings credits will continue to be based on his presumed earnings as defined in Art 16.02.02.
 - 16.03.01.03.03 All other benefits in accordance with the Position being flown consistent with the terms of the Collective Agreement.
- 16.03.02 Pregnancy Leave – A Pilot who is pregnant is covered under the Plan for the periods during the pregnancy she has been declared unfit to fly for medical reasons by a certified physician. A post partum medical examination will be required within 30 days.

- 16.03.03 For the following items the employee is covered when receiving continuing treatment from a physician who is certified in psychiatry, OR unless required to meet the minimum sickness and the injury provisions of the Unemployment Insurance Act.
- Hysteria
 - Phobic Reactions
 - Obsessive compulsive disorder
 - A psychoneurotic disorder
 - A behavioural disorder
- 16.03.04 For the following items the employee is undergoing an alcohol or drug addiction rehabilitation program that has received the prior approval of the Company but only while the employee is undergoing the program of rehabilitation, OR unless required to meet the minimum sickness and the injury provisions of the Unemployment Insurance Act.
- Alcoholism
 - Drug addiction
- 16.03.05 Notwithstanding Art 16.03.03 and Art 16.03.04, it is the intention to consider each of these claims individually and, based on the assessment of the insurer's Claim Department and Medical Board and the Air Canada Medical Directors made during the initial year to continue payment beyond one year, in accordance with the terms of the policy where the condition is judged to be sufficiently severe as to be comparable to a psychosis. By virtue of the fact, these cases require individual consideration, they do not lend themselves to precise contract definition.
- 16.03.05.01 Subject to the minimum requirements under the sickness and injury provisions of the Employment Insurance Act, and regulations, no benefits are payable to any claimant who fails to undertake and maintain any program of rehabilitative training or treatment which is recommended by his physician or by the Company's Medical Board and is designed to result in any improvement in his condition with a view to making possible his re-qualification for flight duties.

16.04 Disabilities Not Covered by the Plan

- 16.04.01 Benefits are not payable for any of the following:
- 16.04.01.01 An injury or sickness which is a result of a hostile act occurring in a war zone which the employee has entered voluntarily and not in the course of the performance of his duties with the employer.
 - 16.04.01.02 An intentionally self-inflicted injury or sickness.

16.05 Suspension/Reinstatement of Coverage

- 16.05.01 Coverage will be suspended on the date:
- 16.05.01.01 Voluntary Leave of Absence – An employee is placed on Voluntary leave of absence, and will remain suspended for the duration of the Leave of Absence. If the employee becomes disabled while on such Leave of Absence, he will be entitled to income benefits from the plan commencing the 31st day from the date he is scheduled to return to active employment.
 - 16.05.01.02 Employment Suspension – An employee is suspended from Active employment except that in the case of a member who becomes disabled prior to being placed on suspension, he will continue to be entitled to income benefits until assessed as fit to return to active employment. If an employee becomes disabled during such period of suspension, he will be entitled to receive income benefits from the plan commencing on the 31st day from the date he is scheduled to return to active employment.
 - 16.05.01.03 Furlough – An employee is Furloughed, except that if the employee is disabled prior to being placed on furlough, he will continue to receive the benefits of the plan until such time as he is assessed fit to return to active employment.

16.05.01.04 On Strike/Lockout – An employee is On Strike or Locked Out as a result of a dispute between ACPA and Air Canada except that in the case of a member who becomes disabled prior to any such strike or lockout, he will continue to be entitled to income benefits until assessed as fit to return to active duty. If an employee becomes disabled during such period of strike or lockout, he will be entitled to receive income benefits from the Plan commencing on the 31st day from the date he is scheduled to return to active employment.

16.05.02 Coverage is automatically reinstated on return to active employment.

16.06 Termination of Coverage

16.06.01 Coverage terminates on the earliest of:

16.06.01.01 The date the employee leaves the Company.

16.06.01.02 The date the employee ceases to be a Pilot.

16.06.01.03 The date the employee retires.

16.06.01.04 The last day of the month in which the employee attains his 60th birthday.

16.06.01.05 The date the employee dies.

16.06.02 Coverage may NOT be terminated at the option of the individual member.

16.07 Claims Procedure

16.07.01 Employee Actions:

16.07.01.01 The employee will notify his immediate supervisor of the expected duration of his absence on the first day of his disability.

16.07.01.02 If absence is likely to last more than 30 days, the employee will obtain the following forms from the Base Personnel Services office:

16.07.01.02.01 the “Confidential Statement of Claim” (ACF863A),

16.07.01.02.02 the “Attending Physician's Statement” (M543) and

16.07.01.02.03 the pre-addressed blue-cornered envelope (ACF851G).

16.07.01.03 The employee will complete Part 1 of the “Confidential Statement of Claim” form and return it to his Flight Supervisor or to Personnel Services who will complete Part 2.

16.07.01.04 Once Part 1 and Part 2 are completed, the employee will have the Physician complete the “Attending Physician's Statement”. If declared “medically unfit to fly” and removed from flight duties, the “Attending Physician's Statement” should be completed by the Company medical officer.

16.07.01.04.01 If there are any problems completing the claim form, contact the Flight Supervisor or a Personnel Services representative for assistance.

16.07.01.04.02 In some cases, to enable payment (or continuation of payment) of benefits, Great-West Life may ask for additional information from the attending physician. It is recommended that the physician be requested to provide the required information as soon as possible in order to avoid any undue delay in the adjudication of the claim.

16.07.02 Assessment of Claims:

16.07.02.01 A medical decision will be made to determine whether it is a case of “Total Disability” or “Disabled”.

16.07.02.01.01 It is not necessary for an employee to be confined to his home in order to be considered “totally disabled”; however, to be eligible for benefits, the employee must be continuously disabled and under the continuous care of a physician legally licensed to practice medicine.

- 16.07.02.01.02 The assessment of disability will be based on reports of the employee, the employer and the attending physician. Consideration will be given to the employee's ability to perform alternative work and the appropriateness of such work for the employee involved.
- 16.07.02.01.03 Prior to the end of the first year of disability, the Underwriters will assess the degree of the employee's disablement to determine whether the employee is disabled or totally disabled as defined under the plan. The results of such assessment will be forwarded to the Corporate & Human Resources Branch, the Advisory Committee and to Payrolls.
- 16.07.03 Follow-Up Information:
- 16.07.03.01 Follow-up medical reports will be required by the Underwriter from time to time while benefits are being paid. These follow-up reports will be requested at varying intervals depending on the nature of the disability.
- 16.07.03.02 While it is the responsibility of the Underwriters to conduct the normal follow-up on disabled employees, Air Canada may require an investigation be made of a particular case where doubt exists as to the validity of the employee's disability or the duration of the period of disablement. When circumstances suggest a special investigation is required, refer the situation to the Corporate & Human Resources Branch, Montreal, as quickly as possible, with full particulars, for further handling with the Underwriters, the Medical Board and/or the Advisory Committee, as applicable. (It may be necessary to withhold further income benefits until the results of the investigation are known.)
- 16.07.04 Disputed Claims:
- 16.07.04.01 Should the employee be dissatisfied with the assessment, he may lodge an appeal through his representatives on the Advisory Committee for reconsideration. (See Art 16.10 for role of the Advisory Committee).
- 16.07.04.02 Where an assessment is in dispute, a 3 person medical board will be established and the findings of this board will be considered as final.

16.08 Benefits

- 16.08.01 Waiting Periods:
- 16.08.01.01 For each separate disability period there is a waiting period of 30 consecutive days, commencing from the date of the original injury or illness, before disability benefit payments commence. During this period, sick leave will be in accordance with the Sick Leave provisions of the Collective Agreement.
- 16.08.01.02 Under the terms of the plan, the disability commences on the date of the original injury or illness and, for successive periods of absence, disability benefit payments will commence immediately without a further waiting period if: such absence is due to the same cause and is separated by less than 180 days of active full time employment, or due to different cause and is separated by less than 30 days of active full time employment.
- 16.08.01.02.01 Employees absent from work due to illness or injury covered under Workmen's Compensation will be removed from the payroll in accordance with Company Policy as outlined on ACAeronet.
- 16.08.02 Disabled Benefit Schedule:

16.08.02.01 An employee who is disabled will be paid a benefit, determined by applying that percentage of the employee's monthly earnings shown opposite his applicable year of service, for the benefit period shown in the following schedule:

<i>Years of Service</i>	<i>Benefit Period</i>		<i>Amount</i>
1	(30 day W/P)	+ 11 months at 60% + 2 years	(24 months) at 40%
2	(30 day W/P)	+ 11 months at 60% + 2 years	(24 months) at 41%
3	(30 day W/P)	+ 11 months at 60% + 2 years	(24 months) at 42%
4	(30 day W/P)	+ 11 months at 60% + 3 years	(36 months) at 43%
5	(30 day W/P)	+ 11 months at 60% + 4 years	(48 months) at 44%
6	(30 day W/P)	+ 11 months at 60% + 15.5 years	(186 months) at 45%
7	(30 day W/P)	+ 11 months at 60% + 15.5 years	(186 months) at 47%
8	(30 day W/P)	+ 11 months at 60% + 15.5 years	(186 months) at 49%
9	(30 day W/P)	+ 11 months at 60% + 15.5 years	(186 months) at 51%
10	(30 day W/P)	+ 11 months at 60% + 15.5 years	(186 months) at 53%
11	(30 day W/P)	+ 11 months at 60% + 15.5 years	(186 months) at 55%
12	(30 day W/P)	+ 11 months at 60% + 15.5 years	(186 months) at 57%
13	(30 day W/P)	+ 11 months at 60% + 15.5 years	(186 months) at 59%
14	(30 day W/P)	+ 11 months at 60% + 15 years	(180 months) at 60%
15	(30 day W/P)	+ 11 months at 60% + 14 years	(168 months) at 60%
16	(30 day W/P)	+ 11 months at 60% + 13 years	(156 months) at 60%
17	(30 day W/P)	+ 11 months at 60% + 12 years	(144 months) at 60%
18	(30 day W/P)	+ 11 months at 60% + 11 years	(132 months) at 60%
19	(30 day W/P)	+ 11 months at 60% + 10 years	(120 months) at 60%
20	(30 day W/P)	+ 11 months at 60% + 9 years	(108 months) at 60%
21	(30 day W/P)	+ 11 months at 60% + 8 years	(96 months) at 60%
22	(30 day W/P)	+ 11 months at 60% + 7 years	(84 months) at 60%
23	(30 day W/P)	+ 11 months at 60% + 6 years	(72 months) at 60%
24	(30 day W/P)	+ 11 months at 60% + 5 years	(60 months) at 60%
25	(30 day W/P)	+ 11 months at 60% + 4 years	(48 months) at 60%
26	(30 day W/P)	+ 11 months at 60% + 3 years	(36 months) at 60%
27	(30 day W/P)	+ 11 months at 60% + 2 years	(24 months) at 60%
28	(30 day W/P)	+ 11 months at 60% + 2 years	(24 months) at 60%
29	(30 day W/P)	+ 11 months at 60% + 2 years	(24 months) at 60%
30 and over	(30 day W/P)	+ 11 months at 60% + 2 years	(24 months) at 60%

16.08.02.02 Notwithstanding anything to the contrary expressed or implied in the Disabled Benefit Schedule, if on the date an employee becomes disabled his Years of Service as a Permanent Management Pilot, Acting Check Pilot, or Acting Flight Instructor or Pilot total:

16.08.02.02.01 At least three years but less than 6 years, his "Benefit Period" will be increased by 30 days for each full calendar month worked in excess of the number of full years shown in the column entitled "Years of Service".

16.08.02.02.02 At least 13 years but less than 14 years, his "Benefit Period" will be decreased by 15 days for each full calendar month worked in excess of the employee's number of full years of service as a Permanent Management Pilot, Acting Check Pilot, or Acting Flight Instructor or Pilot.

- 16.08.02.02.03 At least 14 years but less than 27 years, his "Benefit Period" will be decreased by 30 days for each full calendar month worked in excess of the employee's number of full years of service as a Permanent Management Pilot, Acting Check Pilot, or Acting Flight Instructor or Pilot.
- 16.08.03 Totally Disabled Benefit Schedule:
- 16.08.03.01 For claimants who are assessed as "Totally Disabled", benefits in the second and subsequent years will be paid at 60% of salary to the earlier of death, recovery or attainment of age 60.
- 16.08.04 Minimum Benefit:
- 16.08.04.01 Notwithstanding anything to the contrary contained in the Schedule of Benefits, it is hereby provided that in no event will an employee's benefit be less than the monthly equivalent of the current weekly benefit paid under the Employment Insurance Act of Canada.
- 16.08.05 Indexation of Benefits:
- 16.08.05.01 For employees who are classified by the Company as "disabled or totally disabled", on January 1 of each year a Pilot's GDIP benefit will be indexed by applying 50% of the change in the CPI for the period November to October in the immediately preceding respective 2 years.
- 16.08.05.02 The indexation benefit will be limited to a maximum increase of 5%.
- 16.08.05.03 The applicable adjustment to benefits will be made effective with the first benefit payment issued on or after January 1 of each year.
- 16.08.05.04 Pilots who are on GDIP benefits less than 1 year as of January 1 will have their CPI increase prorated.
- 16.08.06 Suspension of Benefits :
- 16.08.06.01 Income benefits will be suspended during any period the employee is returned to the payroll at the full pay of his regular job or due to vacation clearance, regardless of the continuing disability.
- 16.08.06.01.01 Should suspension of income benefits occur during the first year benefit period, the first year level of income benefits will be extended by a corresponding period.
- 16.08.07 Termination of Benefits :
- 16.08.07.01 All benefits will cease for all employees upon attainment of age 60.

16.09 Waiver of Premiums for Other Plans

- 16.09.01 While an employee is in receipt of benefits under the plan:
- 16.09.01.01 Contributions are waived and allowable service continues in the Pension Plan. Pensionable earnings credits will be based on his presumed earnings as defined in Art 16.02.02.
- 16.09.01.02 The employee is entitled to full coverage under the Group Life, Dental and Supplementary Health Insurance Plans, and the Basic Accidental Death, Dismemberment and Loss of Use (AD&D/LU) Insurance Plan without cost to him.
- 16.09.02 Notwithstanding the above, when employed in Air Canada in either an alternative job or part-time in a regular job, normal payroll deductions will be made for Group insurances, as applicable, and Pension if the salary in the alternative job exceeds that received in his regular job.

16.10 Disability Income Plan Advisory Committee

- 16.10.01 A committee known as the Disability Income Plan Advisory Committee will be formed. This Committee will consist of 3 members appointed by ACPA and 3 members appointed by Air Canada. This Committee will adjudicate all disputed claims. To permit the Committee to perform its function, all pertinent and requested information, other than information considered confidential between the claimant and the attending physician, will be provided to the Committee.

- 16.10.02 The Committee will be informed in all cases where it is the intention of the insurer to terminate a Pilot's benefit (other than for termination of normal "schedule" benefits) and will by majority vote have the authority to extend the period of coverage when in their opinion such extension would contribute to the claimant's ability to return to active status. The duration of any such extension will also be subject to the agreement of a majority of the Advisory Committee.
- 16.10.03 It would be difficult, indeed unwise, to attempt to establish rules and procedures that will apply in each and every case. Guidelines have been provided that should apply in most circumstances. In arriving at its conclusions, the Advisory Committee should be guided by common sense and the purpose of the Plan.
- 16.10.04 Any dispute arising out of the application or interpretation of the Disability Income Plan not resolved by a majority vote of the Committee will be settled by arbitration in accordance with Art 7 of the currently effective employment agreement between the Parties except when the dispute is one regarding a medical opinion, a Board will be established.

16.11 Medical Board – Selection and Duties

- 16.11.01 Where a medical assessment is in dispute a 3 person medical board will be established as follows:
- 16.11.01.01 One Medical Examiner selected by Air Canada.
- 16.11.01.02 One Medical Examiner selected by claimant.
- 16.11.01.03 The selected Examiners to agree upon and appoint a third qualified and disinterested Medical Examiner, preferably a specialist in the related field.
- 16.11.02 The findings of this Board will be considered as final.

16.12 Correspondence about the Plan

- 16.12.01 For inquiries about payments, completion of forms, income benefits, individual claims, etc, contact:
- 1 (877) 645-5000
or
eservices@aircanada.ca
- 16.12.02 For other inquiries contact ACPA.

ARTICLE 17 – PENSION

17.01 Air Canada Pilot Pension Plan

17.01.01 Introduction

This Art 17.01 pertains solely to the Pilots who are members of the Air Canada Pension Plan – Pilots.

A separate pension plan and trust fund have been established as at January 1, 1998 for Pilots. These are called respectively the Air Canada Pension Plan – Pilots and the Air Canada Pension Trust Fund – Pilots. The rules of the new pension plan are contained in the plan text of the Air Canada Pension Plan – Pilots.

The Company has co-mingled the assets of the two plans (Air Canada Pension Plan and Air Canada Pension Plan – Pilots) for investment purposes in the Air Canada Pension Master Trust Fund. ACPA's actuaries shall have access to all pertinent information pursuant to the Air Canada Pension Plan – Pilots.

The Air Canada Pension Plan – Pilots shall be administered by a committee ("Committee") comprised of equal numbers of ACPA and Company appointees.

Any costs normally borne by the Air Canada Pension Master Trust Fund are automatically charged on a proportionate basis to the participating funds; however, specific Pilot plan costs that are incurred will be charged to the Pilot plan.

17.01.02 Review of Plan Amendments

Air Canada undertook to amend the text of the Air Canada Pension Plan-Pilots to incorporate amendments to such plan text which were required by Art 17.01. The amended text has been submitted to ACPA for approval. Thereafter the plan text will not be changed unless required by law or agreed to by the parties.

Amendments which are required by any law which applies to the Air Canada Pension Plan – Pilots can be made unilaterally by Air Canada.

Unless required by any law that applies to the Air Canada Pension Plan – Pilots, the Company shall not, without the consent of ACPA;

17.01.02.01 divide or merge the plan or the trust fund;

17.01.02.02 transfer into the plan, liabilities for pension benefits from another registered or non-registered pension plan or arrangement, except in respect of newly employed plan members in accordance with a reciprocal transfer agreement with an arms length plan or in respect of employees who become members of the Air Canada Pension Plan – Pilots due to a change in job positions; or

17.01.02.03 transfer assets from the trust fund to another registered or non-registered pension plan or arrangement sponsored by the Company or any other entity, except in respect of members whose employment with the Company has terminated or in respect of employees who cease to be members of the Air Canada Pension Plan – Pilots due to a change in job positions.

17.01.03 Maximum Pension Units

Effective January 1, 1990, a Pilot who retires in accordance with the rules of the Air Canada Pension Plan – Pilots (the Air Canada Pension Plan for those who retired prior to January 1, 1998) shall be entitled to a total pension calculated and payable in accordance with such rules, with the exception of the maximum pension defined in such rules which, instead of the Defined Benefit Limit defined under Section 6.1g) of such rules, multiplied by the Pilot's years of allowable service, shall be equal to new amounts ("maximum pension unit") multiplied by the Pilot's years of allowable service. The maximum pension unit varies with the year of retirement as follows:

<i>Maximum Pension Unit</i>		
<i>Year of retirement</i>	<i>For years of allowable service before 01-01-1990</i>	<i>For years of allowable service after 01-01-1990</i>
1990	\$1,784	\$2,277
1991	\$1,855	\$2,368
1992	\$1,929	\$2,463
1993	\$2,006	\$2,561
1994	\$2,087	\$2,664
1995	\$2,170	\$2,771
1996	\$2,257	\$2,881
1997	\$2,348	\$2,996
1998	\$2,441	\$3,116
1999	\$2,539	\$3,241
2000	\$2,641	\$3,370
2001	\$2,747	\$3,505
2002	\$2,857	\$3,645
2003	\$2,971	\$3,791
2004	\$3,090	\$3,942
2005	\$3,213	\$4,100
2006 and after	\$3,342	\$4,264

The pension and the maximum pension shall be calculated separately for allowable service before and after January 1, 1990. For members retiring with 35 years of allowable service, the calculation shall be made using the years in respect of which the member has contributed to the pension plan.

The portion of the pension which cannot be payable from the Air Canada Pension Plan – Pilots due to the limits imposed by the Income Tax Act and Regulations (hereinafter called “supplementary pension”) shall be payable from the Company’s general revenues or the RCA under Art 17.01.10. The supplementary pension shall be payable in the same form as the pension payable under the Air Canada Pension Plan – Pilots.

In the event a Pilot terminates service, Art 17.01.03 shall not apply and the pension shall therefore be calculated as specified in the text of the Air Canada Pension Plan – Pilots in respect of such Pilot.

In the event a Pilot dies before pension commences and before having completed 15 years of qualifying service, Art 17.01.03 shall not apply and the pension shall therefore be calculated as specified in the text of the Air Canada Pension Plan – Pilots in respect of such Pilot.

17.01.04 Members contributions

A member shall not be required to contribute in each calendar year an amount which exceeds a maximum annual contribution determined as three times the maximum pension unit in respect of allowable service after January 1, 1990 applicable for the given calendar year.

For the final year of contribution, the maximum contribution shall be equal to the maximum annual contribution multiplied by the number of months of allowable service recognized during the final year over 12.

17.01.05 **Surviving Spouse's pension**

In the event a Pilot dies before pension commences but after having completed at least 15 years of qualifying service, the benefits payable to the surviving spouse, if any, shall be the greater of the death benefits payable from the Air Canada Pension Plan – Pilots and an annual lifetime pension equal to 50% of the accrued pension calculated as per Art 17.01.03 above.

17.01.06 **Automatic indexation until January 1, 2006**

- 17.01.06.01 Effective on each adjustment date, the monthly instalment payable as of December 1st immediately preceding such adjustment date, to any pensioner and to any surviving spouse, including the supplementary pension, shall be increased:
- 17.01.06.01.01 by the applicable adjustment rate in case of a disability pensioner or in the case of a surviving spouse; or
- 17.01.06.01.02 by the applicable adjustment rate if the pension commenced at least one year prior to the applicable adjustment date, provided that the pensioner has attained 60 years of age prior to such adjustment date; or
- 17.01.06.01.03 by 1/12th of the applicable adjustment rate for each month prior to the applicable adjustment date, if it commenced within one year prior to such adjustment date, provided that the pensioner had attained 60 years of age prior to such adjustment date.
- 17.01.06.02 For the purposes of Art 17.01.06 “adjustment date” means January 1, 1999, January 1, 2000, January 1, 2001, January 1, 2002, January 1, 2003, January 1, 2004, January 1, 2005 and January 1, 2006, as applicable.
- 17.01.06.03 For the purposes of Art 17.01.06 “adjustment rate”, applicable as of an adjustment date, means 50% of the first 6% increase in the ratio of the Pension Index as of January 1 of the given calendar year over the Pension Index as of January 1 of the previous calendar year.
- 17.01.06.04 The Pension Index as of January 1 of a year is the average for the 12-month period ending October 31 of the previous year, of the Consumer Price Index for each month in that 12-month period.
- 17.01.06.05 The Consumer Price Index for a month shall be as published by Statistics Canada.

17.01.07 **Use of ancillary benefits for funding of a portion of the supplementary pension**

Effective January 1, 1998, Air Canada has amended the new Air Canada Pension Plan – Pilots so as to increase the portion of a Pilot's total pension which is payable from the Air Canada Pension Plan – Pilots. The following ancillary benefits have been added for that purpose alone:

17.01.07.01 **Bridge benefit** – (As described in Section 6 of the Plan Text)

17.01.07.01.01 A Pilot who retires after having completed 25 years of qualifying service or whose age plus qualifying service upon retirement adds up to 80 years or more, will qualify for a bridge benefit.

17.01.07.01.02 The amount of monthly bridge benefit shall be equal to:

the maximum monthly pension payable under the Canada Pension Plan to a person retiring at age 65 in the year of retirement of the Pilot

multiplied by

the ratio of allowable service over 35

17.01.07.01.03 The bridge benefit will be payable from the Pilot's retirement date and will cease with the payment due on the first of the month the Pilot reaches age 65, or the first of the month preceding the Pilots date of death, if earlier. In the case where the Pilot dies before age 65, 50% of the bridge benefit shall automatically continue to be payable to the Pilot's spouse, if there is one, until the first of the month during which the Pilot would have reached age 65, or the first of the month preceding the spouse's date of death, if earlier.

17.01.07.02 **Indexation** – As described in Section 6 and in Section 17 of the Plan Text

17.01.07.02.01 Effective January 1, 1998 and each January 1 thereafter up to and including January 1, 2006, the pension in payment under the Air Canada Pension Plan – Pilots to a Pilot who has retired before such date or to a survivor, shall be indexed by an indexation rate as defined hereinafter.

17.01.07.02.02 The indexation rate applicable on January 1 of a given year shall be equal to the first 3% increase in the ratio of the Pension Index as of January 1 of the given calendar year over the Pension Index as of January 1 of the previous calendar year, where the Pension Index is as defined in Art 17.01.06 above.

The indexation provided under Art 17.01.07.02 shall include any adjustments to pensions in payment payable under the Air Canada Pension Plan – Pilots, either as described in Art 17.01.06 of this Agreement or as provided as at January 1, 1998 under the terms of the Air Canada Pension Plan – Pilots.

Effective January 1, 2000, Air Canada has amended the Air Canada Pension Plan – Pilots so as to extend the indexation provided for in Art 17.01.07.02.01 above from January 1, 2002 (expiry date applicable before current collective agreement) to January 1, 2006.

The sole purpose of the bridge benefit and the indexation described herein above is to increase the portion of a Pilot's total pension which is payable from the Air Canada Pension Plan – Pilots. In no event shall the ancillary benefits provided result in benefits in excess of those which would otherwise be payable if this Art 17.01.07 was not applicable. Therefore, an additional pension, if any, payable from the Air Canada Pension Plan – Pilots as a result of the above bridge benefit and indexation will result in a decrease, dollar for dollar, of the amount which would otherwise be payable as a supplementary pension from the Company's general revenues or the RCA.

17.01.08 **Higher pension to age 65 option**

The addition of a bridge benefit under the Air Canada Pension Plan – Pilots, in order to pay a portion of the supplementary pension from the registered plan, shall not prevent a Pilot of electing the higher pension to age 65 option. Any amount of additional pension prior to age 65 which cannot be paid from the Air Canada Pension Plan – Pilots due to limits imposed by the Income Tax Act and Regulations will be paid as a supplementary pension with a corresponding actuarial reduction in the pension from age 65.

17.01.09 **Pension Plan Surplus on Termination**

17.01.09.01 Subject to any required approval by the Office of the Superintendent of Financial Institutions, the Air Canada Pension Plan – Pilots has been amended to provide that, in case of termination of the plan, no part of the assets of the plan shall revert to the benefit of the Company until the Superintendent's consent has been obtained and:

17.01.09.01.01 provision has been made for the payment to Members and Former Members and their Spouses, Beneficiaries or estates of all accrued or payable benefits in respect of membership up to the date of the termination and, for that purpose, such benefits shall be treated as vested without regard to conditions as to age, period of membership in the plan or period of employment; and

- 17.01.09.01.02 provision has been made for distribution of surplus to Members, Former Members and Spouses in accordance with section 18.5 of the plan, such distribution to be made by applying the surplus, up to the sum of the actuarial present value of the excess, if any, of the entitlement under Art 17.01.03 at the date of Plan termination of each Member, Former Member, and Surviving Spouse, over his or her entitlement under the Plan (his or her 'excess commuted value'), to each such individual in the same proportion that his or her excess commuted value bears to the sum of all such excess commuted values.
- 17.01.09.02 In the event the superintendent or other regulatory authority does not approve any payment of benefits or distribution of surplus to members, such payments or distributions shall be made in another form acceptable to ACPA.
- 17.01.09.03 Air Canada agrees that any required representation by the Company to Canada Customs and Revenue Agency or the Office of the Superintendent of Financial Institutions with respect to this Art 17.01.09 will be made jointly with ACPA.
- 17.01.09.04 The purpose of this provision is to secure the supplementary pension described in Art 17.01.03 in the event of a plan windup and under no circumstances is it intended to provide for any increase in benefits.
- 17.01.10 Use of Retirement Compensation Arrangement to Secure Pension Benefits**
- 17.01.10.01 Effective April 2, 2000, Pilot contributions to the Air Canada Pension Trust Fund – Pilots will be limited to 1.5 times the “post-1989” MPUs of that year. Pilot contributions between this amount and an amount equal to 3 times the “post-1989” MPUs (“Pilot RCA Contribution”) will be deposited into a Retirement Compensation Arrangement fund (“RCA Plan”) to be established and administered by Air Canada.
- 17.01.10.02 For each Pilot, Air Canada will contribute to the RCA an amount equal to the Pilot RCA Contribution (“Basic Company Contribution”).
- For Pilots covered by Art 16 – Group Disability Income Plan – Pilots, the Basic Company Contribution shall be calculated in the same manner as for Active Pilots based upon the deemed earnings used to determine the Average Annual Compensation for pension calculation purposes.
- For Pilots who have accrued or will accrue 35 years of service before Normal Retirement Age, Air Canada shall continue to make the “Basic Company Contribution” to their account in the RCA Plan. These contributions shall continue from when the member accrues 35 years of allowable service until their retirement date.
- 17.01.10.03 Each Pilot will have an individual account under the RCA which will comprise the Pilots RCA Contributions, the Basic Company Contribution, investment earnings thereon, distributions as set out in Art 17.01.10.04.05 and Art 17.01.10.05 and the applicable refundable tax credits.
- 17.01.10.04 If a Pilot retires from employment with eligibility to benefits payable from the Supplementary Plan, the individual account of this Pilot will be used to pay the supplementary pension that otherwise would have been paid by Air Canada, in the following manner:
- 17.01.10.04.01 The Pilot will elect the date at which payments from the RCA will start. Payments shall start no later than age 75.
- 17.01.10.04.02 Payments will be made over a period of 10 years: 1/10 of the account in the first year of payment, 1/9 in the second year and so on until the 10th year, provided that in no event shall such payment exceed the supplementary pension.
- 17.01.10.04.03 In the event the RCA is not depleted at the end of the 10th year, any residual amount in the RCA shall be used to pay the supplementary pension until the RCA has been depleted.

- 17.01.10.04.04 Supplementary pensions payable from Air Canada to the Pilot will be reduced by \$1 for each \$1 received from the RCA.
- 17.01.10.04.05 In cases where the pensioner and his survivor die before the Pilot's RCA payments have been depleted, the balance of the account will be distributed proportionally between the other RCA members' accounts. This calculation and distribution will be allocated at the end of each calendar year.
- 17.01.10.05 If a Pilot terminates employment without eligibility for supplementary pension benefits, the Pilot will receive a refund of the contributions made by the Pilot to the RCA with the investment earnings credited thereon. The balance of the Pilot's RCA account will be distributed proportionally among the other RCA members' accounts at the end of the calendar year.
- 17.01.10.06 The RCA will be administered by Air Canada. Investments under the RCA will be administered by a committee comprised of equal numbers of ACPA and Air Canada appointees. The parties agree to meet to do all necessary work to establish the operation of the RCA Plan by January 1, 2001. Expenses associated with the set up of the RCA shall be borne by Air Canada. Ongoing administration costs of the RCA Plan will be assumed by the RCA Plan.
- 17.01.10.07 In the event that an actuarial valuation of the Supplemental Plan for RCA members reveals that the assets exceed the solvency liabilities, then, such excess may be used to eliminate both the Air Canada and Pilots contributions for the period corresponding to such excess.
- For this purpose, the assets shall include, in addition to the RCA assets and applicable refundable tax, a portion of the solvency surplus determined on a valuation of the Air Canada Pension Plan – Pilots, as at the same valuation date. Such portion shall be determined by the ratio of solvency liabilities in the Air Canada Pension Plan – Pilots in respect of the RCA members to the total solvency liabilities in the such plan.
- The present value of the supplementary pensions shall be determined using the same assumptions and methods as those used for the solvency valuation of the Air Canada Pension Plan- Pilots on the same date except that an adjustment to the discount rate shall be made for tax purposes.
- 17.01.10.08 In the event that the RCA is wound-up
- 17.01.10.08.01 a Pilot who does not satisfy the eligibility criteria for a supplementary pension shall receive a refund of the contributions made by the Pilot to the RCA with the investment earnings credited thereon. The balance of the Pilot's RCA account shall be allocated proportionally among the accounts of those Pilots who do satisfy the eligibility criteria for a supplementary pension.
- 17.01.10.08.02 a Pilot who does satisfy the eligibility criteria for a supplementary pension shall have that supplementary pension provided, to the extent possible,
- 17.01.10.08.02.01 firstly by any additional benefits payable to the Pilot as a result of the termination of the Air Canada Pension Plan – Pilots, and
- 17.01.10.08.02.02 secondly by his individual RCA account.
- 17.01.10.08.03 if the combination of any additional benefits payable as a result of the termination of the Air Canada Pension Plan – Pilots and his individual RCA account is more than sufficient to provide for his supplementary pension, the excess in his RCA account over the amount needed to provide the supplementary pension, shall be allocated proportionately to the accounts of those Pilots whose supplementary pensions are not fully funded by Art 17.01.10.08.02 above, to the extent necessary to fund their supplementary pensions.

- 17.01.10.08.04 if any assets remain in the RCA, they shall then be used to fund the supplementary pensions of those members who retired prior to April 2, 2000 with an entitlement to a supplementary pension and their survivors, and after taking into account any additional benefits payable to the members as a result of the termination of the Air Canada Pension Plan- Pilots, until all those members are fully funded.
- 17.01.10.08.05 if, after this process, there remains any assets in the RCA, those assets shall revert to the Company.
- 17.01.10.09 Within one month of the ratification of the collective agreement in year 2000, Air Canada shall make a special contribution of \$11,500,000 to the RCA. On April 2, 2001 and April 2, 2002, Air Canada shall make further special contributions of \$11,500,000 each to the RCA. These special contributions shall be allocated among the individual accounts of all Active and disabled Pilots who, on April 2, 2000, were within 10 years of their Normal Retirement Date. This allocation shall be made in the following manner:
- 17.01.10.09.01 The individual account of the Pilot shall be credited with an amount equal to the allocation factor, multiplied by:
- 17.01.10.09.01.01 the Pilot's year 2000 Compensation which is in excess of \$93,650 without exceeding \$177,900, multiplied by:
- 17.01.10.09.01.02 the difference between 10 and the years and completed months (expressed in twelfths of a year) by which April 2, 2000 precedes his or her Normal Retirement Date.
- 17.01.10.09.02 The Compensation used shall be as defined in the Air Canada Pension Plan – Pilots. For Pilots covered by Art 16, Group Disability Income Plan – Pilots, the year 2000 deemed earnings used to determine the Average Annual Compensation for pension calculation purposes shall be used. For Pilots retiring between April 2, 2000 and January 1, 2001, the actual Compensation until retirement shall be annualized.
- 17.01.10.09.03 The allocation factor shall be established in such a way that the special contribution will be fully allocated among Active and disabled Pilots who, on April 2, 2000, have attained age 50. The allocation factor is estimated at approximately 5.8%.
- 17.01.10.10 The agreement described under this Art 17.01.10 is effective from April 2, 2000 and is based on the current Income Tax Act and regulations then in effect. In the event that changes to the Income Tax Act and/or its regulations would change the amount of pension that can be paid from a registered pension plan, and/or the members' contributions that can be paid to a registered pension plan, and/or the rules applying to retirement compensation arrangements, the RCA Plan may be amended. Any amendment to the RCA Plan resulting from any legislative or regulatory change shall be made by mutual agreement.

17.01.11 Top-Up of Benefits on Grounded Retirement

A Pilot who exhausts benefits under the GDIP Plan and does not qualify for Disability Retirement, but elects, after ratification of the collective agreement, Grounded Retirement under Section 5.4 of the Air Canada Pension Plan – Pilots shall receive a monthly amount payable from the Company's general revenues equal to the Disability Retirement Pension the Pilot would have received had the Pilot retired with a Disability Retirement Pension less the Grounded Retirement Pension payable.

Pilots who are currently receiving or have received benefits under the Grounded Retirement provisions of the Air Canada Pension Plan – Pilots and are shown on the attached letter shall be paid the difference between what they would have received had they been entitled to a Disability Pension based on their earnings and service at the time their GDIP benefits were exhausted, and what they received or are receiving under Grounded Retirement benefits.

17.02 CAIL Pilot Pension Plan

17.02.01 Introduction

On the 20th day of November 2002, the Honorable George W. Adams issued an Award in the matter of a mediation – arbitration between ACPA and Air Canada. This Art 17.02 essentially reproduces the Order included in such Award.

In this Art 17.02, “Registered Plan” refers to the Pension Plan for former CAIL Pilots (Pension Plan for Pilots, as represented by the Canadian Air Line Pilots Association of Canadian Airlines International Ltd.), “Plan” refers to the pension arrangement providing total benefits to former CAIL Pilots and “Supplemental Plan” refers to the pension arrangement provided by the Plan in excess of benefits provided by the Registered Plan. The “Air Canada Pension Plan” refers to the Pension Plan applicable to pre-merger Air Canada Pilots (Air Canada Pension Plan – Pilots).

Air Canada undertakes to amend the text of the Registered Plan to incorporate the modifications described in this Art 17.02. Such modifications shall be effective as of July 1, 2003. For greater clarity, it is specifically provided that no provision herein shall cause the Registered Plan to be amended before July 1, 2003.

All other provisions of the text of the Registered Plan remain unchanged unless required by law or agreed to by the parties.

17.02.02 Level of Benefits for Service before July 1, 2003

A Pilot who retires or terminates above age 50 with the right to an immediate pension, on or after January 1, 2001, shall be entitled, in respect of his pensionable service before July 1, 2003 excluding service bought back, to a total pension from the Plan, calculated in accordance with the rules of the Registered Plan except for the following:

17.02.02.01 The annual amount of maximum lifetime pension defined under Section 5 of Article VI (“Maximum Pension Limitation”) in the rules of the Registered Plan shall be equal to Maximum Pension Units (“MPUs”) multiplied by the Pilot’s years of pensionable service. The Maximum Pension Unit shall vary with the year of retirement as follows:

<i>Year of retirement</i>	<i>Maximum Pension Unit for years of pensionable service before January 1, 1990</i>	<i>Maximum Pension Unit for years of pensionable service from January 1, 1990 to December 31, 2000</i>	<i>Maximum Pension Unit for years of pensionable service from January 1, 2001 to July 1, 2003</i>
2001	\$2,444	\$2,491	\$3,505
2002	\$2,542	\$2,640	\$3,645
2003	\$2,644	\$2,799	\$3,791
2004	\$2,750	\$2,967	\$3,942
2005	\$2,860	\$3,145	\$4,100
2006 and after	\$2,974	\$3,334	\$4,264

17.02.02.02 The Maximum Pension Units referred to above shall be reduced upon early retirement by the early retirement reduction factors provided for under Section 2. of Article VI of the Registered Plan, provided however the resulting amount of maximum pension from the Plan shall not be less than the maximum pension calculated based on an MPU of \$2,350 without applying such early retirement factors.

- 17.02.02.03 The provisions of Section 5. of Article VI of the Registered Plan shall be modified effective July 1, 2003 to provide that the maximum pension payable upon early retirement as defined in the Registered Plan shall be reduced by $\frac{1}{4}$ of 1% for each complete month that the Pilot's retirement date precedes age 60.
- 17.02.02.04 A retirement is defined as occurring after the completion of 25 years of qualifying service or after attainment of 80 points where points are defined as the sum of age and qualifying service. Qualifying service shall be defined as under the Air Canada Pension Plan – Pilots and includes service bought back under CAIL rules.

17.02.03 Level of Benefits for Service from July 1, 2003

A Pilot who retires on or after July 1, 2003, shall be entitled, in respect of his pensionable service from July 1, 2003 excluding service bought back, to a total pension from the Plan, calculated in the same manner as the one payable under the Air Canada Pension Plan – Pilots. The main provisions are as follows:

- 17.02.03.01 The pension formula used to calculate benefits shall be 1.5% of Final Average Earnings not exceeding Final Average YMPE plus 2.0% of Final Average Earnings in excess of Final Average YMPE;
- 17.02.03.02 Final Average Earnings and Final Average YMPE shall be based over 5 years;
- 17.02.03.03 The annual amount of pension defined under Maximum Pension Limitation in such rules shall be equal to the Maximum Pension Units in the Air Canada Pension Plan multiplied by the Pilot's years of pensionable service. Accordingly, the Maximum Pension Units shall vary with the year of retirement as follows:

<i>Year of retirement</i>	<i>Maximum Pension Unit for years of pensionable service from July 1, 2003</i>
2001	\$3,505
2002	\$3,645
2003	\$3,791
2004	\$3,942
2005	\$4,100
2006 and after	\$4,264

17.02.04 Termination or Death before Retirement

- 17.02.04.01 In the event a Pilot terminates service before qualifying for retirement and before being at least age 50 with the right to an immediate pension under the Registered Plan, Art 17.02.02 shall not apply and the pension shall therefore be calculated as specified in the Registered Plan in respect of such Pilot. For greater clarity, no benefits shall be payable to such Pilot from the Supplemental Plan and no Ancillary Benefits referred to in Art 17.02.09 shall be provided.
- 17.02.04.02 In the event a Pilot terminates service before qualifying for retirement under the Registered Plan, Art 17.02.03 shall not apply and the pension shall therefore be calculated as specified in the Registered Plan in respect of such Pilot. For greater clarity, no benefits shall be payable to such Pilot from the Supplemental Plan and no Ancillary Benefits referred to in Art 17.02.09 shall be provided.
- 17.02.04.03 In the event a Pilot dies before pension commences, before having completed 15 years of qualifying service and before being at least age 50 with the right to an immediate pension under the Registered Plan, Art 17.02.02 shall not apply and the pension shall therefore be calculated as specified in the Registered Plan in respect of such Pilot. For greater clarity, no benefits shall be payable to such Pilot's spouse from the Supplemental Plan and no Ancillary Benefits referred to in Art 17.02.09 shall be provided.

17.02.04.04 In the event a Pilot dies before pension commences and before having completed 15 years of qualifying service, Art 17.02.03 shall not apply and the pension shall therefore be calculated as specified in the Registered Plan in respect of such Pilot. For greater clarity, no benefits shall be payable to such Pilot's spouse from the Supplemental Plan and no Ancillary Benefits referred to in Art 17.02.09 shall be provided.

17.02.05 Portion of Pension Payable from Registered Plan

The portion of the pension which cannot be payable from the Registered Plan shall be payable from the Company's general revenues or from the RCA set up as per Art 17.02.12. The supplemental pension shall be payable in the same form as the pension payable under the Registered Plan.

17.02.06 Pilot contributions

Effective July 1, 2003, Pilots are required to contribute 4.5% of earnings up to YMPE and 6.0% of earnings in excess of YMPE ("Air Canada contribution formula"). A member shall not be required to contribute to the Registered Plan, in any calendar year on and after 2003, an amount which exceeds a maximum annual contribution determined as 1.5 times the MPU in respect of pensionable service after July 1, 2003 applicable for the given calendar year.

For the final year of contribution, the maximum contribution shall be equal to the maximum annual contribution multiplied by the number of months of allowable service recognized during the final year over 12.

17.02.07 Surviving Spouse's Pension

In the event a Pilot dies after July 1, 2003 and before pension commences and after having completed at least 15 years of qualifying service, the benefits payable to the surviving spouse, if any, shall be established based on the provisions of the Registered Plan but using the maximum amount of pension modified as per Art 17.02.02 and Art 17.02.03.

17.02.08 Automatic Indexation until January 1, 2006

17.02.08.01 Effective on each adjustment date, the total monthly instalment payable under the Plan as of December 1st immediately preceding such adjustment date, to any pensioner and to any surviving spouse shall be increased:

17.02.08.01.01 by the applicable adjustment rate in case of a disability pensioner or in the case of a surviving spouse; or

17.02.08.01.02 by the applicable adjustment rate if the pension commenced at least one year prior to the applicable adjustment date, provided that the pensioner has attained 60 years of age prior to such adjustment date; or

17.02.08.01.03 by 1/12th of the applicable adjustment rate for each month prior to the applicable adjustment date, if it commenced within one year prior to such adjustment date, provided that the pensioner had attained 60 years of age prior to such adjustment date.

17.02.08.02 For the purposes of Art 17.02.08 "adjustment date" means January 1, 2001, January 1, 2002, January 1, 2003, January 1, 2004, January 1, 2005 and January 1, 2006, as applicable.

17.02.08.02.01 For the purposes of Art 17.02.08 "adjustment rate", applicable as of January 1, 2001, January 1, 2002, January 1, 2003, January 1, 2004, January 1, 2005 and January 1, 2006 means 50% of the first 6% increase in the ratio of the Pension Index as of January 1 of the given calendar year over the Pension Index as of January 1 of the previous calendar year.

17.02.08.02.02 The Pension Index as of January 1 of a year is the average for the 12-month period ending October 31 of the previous year, of the Consumer Price Index for each month in that 12-month period.

17.02.08.02.03 The Consumer Price Index for a month shall be as published by Statistics Canada.

17.02.09 Use of Ancillary Benefits for Funding a Portion of the Supplementary Pension

Effective July 1, 2003, Air Canada shall amend the Registered Plan so as to increase the portion of a Pilot's total pension which is payable from the Registered Plan. The following ancillary benefits are being added for that purpose alone:

17.02.09.01 Bridge benefit

Such bridge benefit is already provided for by Section 7 of Article VI of the Registered Plan text.

17.02.09.02 Indexation

Subject to the provisions of Art 17.02.10, indexation of the Registered Plan pension shall be as follows:

17.02.09.02.01 On January 1, 2004, January 1, 2005 and January 1, 2006, the pension in payment under the Registered Plan to a Pilot who has retired before such date or to a survivor, shall be indexed by an indexation rate as defined hereinafter.

17.02.09.02.02 The indexation rate applicable on January 1 of a given year shall be equal to the first 3% increase in the ratio of the Pension Index as of January 1 of the given calendar year over the Pension Index as of January 1 of the previous calendar year, where the Pension Index is as defined in Art 17.02.08.02.02 above.

The sole purpose of the bridge benefit and the indexation described herein above is to increase the portion of a Pilot's total pension which is payable from the Registered Plan. In no event shall the ancillary benefits provided result in benefits in excess of those which would otherwise be payable if this Art 17.02.09 was not applicable. Therefore, an additional pension, if any, payable from the Registered Plan as a result of the above bridge benefit and indexation will result in a decrease, dollar for dollar, of the amount which would otherwise be payable from the Supplemental Plan.

17.02.10 Condition on Use of Ancillary Benefits for Funding a Portion of the Supplementary Pension

The ancillary benefits indexation provisions as per Art 17.02.09.02 shall not apply at a date earlier than the date, if any, on which the Company obtains the approval from regulatory authorities to modify the Registered Plan provisions as per Art 17.02.02.03.

17.02.11 Defined Contribution Ancillary Supplement (DCAS)

17.02.11.01 Effective July 1, 2003, no more contributions shall be paid into DCAS. The accumulated amount in the DCAS as at July 1, 2003 shall cease to be considered as DCAS assets and shall be co-mingled with other assets of the Plan. DCAS shall cease to exist effective July 1, 2003. Members of the Registered Plan shall not have individual right to any amount under DCAS as at that date.

17.02.11.02 Notwithstanding the above, for Pilots who retired before January 1, 2001, the present value as at January 1, 2003 of additional benefits granted as per Art 17.02.08, shall be at least equal to the individual account this member would have been attributed if the individual allocation provided in LOU 52 of the Air Canada/ACPA collective agreement had taken place on July 1, 2000.

17.02.11.03 If, for a Pilot who retired before January 1, 2001, the present value of additional benefits granted as per Art 17.02.08 is less than his individual allocation, the temporary indexation for this member shall be extended for a period so that such present value be equal to the individual allocation.

17.02.12 Use of Retirement Compensation Arrangement to Secure Pension Benefits

- 17.02.12.01 Effective from fiscal year 2003, a Pilot's contribution to the Registered Plan will be limited to 1.5 times the MPU in respect of pensionable service after July 1, 2003 applicable for that year. From July 1, 2003, a Pilot's contribution between this amount and an amount equal to 3 times the MPU in respect of pensionable service after July 1, 2003 applicable for that year ("Pilot RCA Contribution") will be deposited into a Retirement Compensation Arrangement fund ("RCA Plan") to be established and administered by Air Canada.
- 17.02.12.02 From July 1, 2003, Air Canada will contribute to the RCA, for each Pilot, an amount equal to the Pilot RCA Contribution ("Basic Company Contribution").
- For Pilots covered by Group Disability Income Plan – Pilots, the Basic Company Contribution shall be calculated in the same manner as for active Pilots based upon the deemed earnings used to determine the Average Annual Compensation for pension calculation purposes.
- For Pilots who have accrued or will accrue 35 years of service before Normal Retirement Age, Air Canada shall continue to make the "Basic Company Contribution" to their account in the RCA Plan. These contributions shall continue from when the member accrues 35 years of allowable service until their retirement date.
- 17.02.12.03 Each Pilot will have an individual account under the RCA which will comprise the Pilots RCA Contributions, the Basic Company Contribution, investment earnings thereon, distributions as set out in Art 17.02.12.04.05 and Art 17.02.12.05 and the applicable refundable tax credits.
- 17.02.12.04 If a Pilot retires from employment with eligibility to benefits payable from the Supplementary Plan, the individual account of this Pilot will be used to pay the supplementary pension that otherwise would have been paid by Air Canada, in the following manner:
- 17.02.12.04.01 The Pilot will elect the date at which payments from the RCA will start. Payments shall start no later than age 75.
- 17.02.12.04.02 Payments will be made over a period of 10 years: 1/10 of the account in the first year of payment, 1/9 in the second year and so on until the 10th year, provided that in no event shall such payment exceed the supplementary pension.
- 17.02.12.04.03 In the event the RCA is not depleted at the end of the 10th year, any residual amount in the RCA shall be used to pay the supplementary pension until the RCA has been depleted.
- 17.02.12.04.04 Supplementary pensions payable from Air Canada to the Pilot will be reduced by \$1 for each \$1 received from the RCA.
- 17.02.12.04.05 In cases where the pensioner and his survivor die before the Pilot's RCA payments have been depleted, the balance of the account will be distributed proportionally between the other RCA members' accounts. This calculation and distribution will be allocated at the end of each calendar year.
- 17.02.12.05 If a Pilot terminates employment without eligibility for supplementary pension benefits, the Pilot will receive a refund of the contributions made by the Pilot to the RCA with the investment earnings credited thereon. The balance of the Pilot's RCA account will be distributed proportionally among the other RCA members' accounts at the end of the calendar year.
- 17.02.12.06 The RCA will be administered by Air Canada. Investments under the RCA will be administered by a committee comprised of equal numbers of the Association and Air Canada appointees. The parties agree to meet to do all necessary work to establish the operation of the RCA Plan by July 1, 2003. Expenses associated with the set up of the RCA shall be borne by Air Canada. Ongoing administration costs of the RCA Plan will be assumed by the RCA Plan.

17.02.12.07 In the event that an actuarial valuation of the Supplemental Plan for RCA members reveals that the assets exceed the solvency liabilities, then, such excess may be used to eliminate both the Air Canada and Pilots contributions for the period corresponding to such excess.

For this purpose, the assets shall include, in addition to the RCA assets and applicable refundable tax, a portion of the solvency surplus determined on a valuation of the Registered Plan, as at the same valuation date. Such portion shall be determined by the ratio of solvency liabilities in the Registered Plan in respect of the RCA members to the total solvency liabilities in the said plan.

The present value of the supplementary pensions shall be determined using the same assumptions and methods as those used for the solvency valuation of the Registered Plan on the same date except that an adjustment to the discount rate shall be made for tax purposes.

17.02.12.08 In the event that the RCA is wound-up:

17.02.12.08.01 a Pilot who does not meet the eligibility criteria for a supplementary pension shall receive a refund of the contributions made by the Pilot to the RCA with the investment earnings credited thereon. The balance of the Pilot's RCA account shall be allocated proportionally among the accounts of those Pilots who do satisfy the eligibility criteria for a supplementary pension.

17.02.12.08.02 a Pilot who meets the eligibility criteria for a supplementary pension shall have that supplementary pension provided, to the extent possible,

17.02.12.08.02.01 firstly by any additional benefits payable to the Pilot as a result of the termination of the Registered Plan, and

17.02.12.08.02.02 secondly by his individual RCA account.

17.02.12.08.03 if the combination of any additional benefits payable as a result of the termination of the Registered Plan and his individual RCA account is more than sufficient to provide for his supplementary pension, the excess in his RCA account over the amount needed to provide the supplementary pension, shall be allocated proportionately to the accounts of those Pilots whose supplementary pensions are not fully funded by Art 17.02.12.08.02 above, to the extent necessary to fund their supplementary pensions.

17.02.12.08.04 if any assets remain in the RCA, they shall then be used to fund the supplementary pensions of those members who retired prior to July 1, 2003 with an entitlement to a supplementary pension and their survivors, and after taking into any additional benefits payable to the members as a result of the termination of the Registered Plan, until all those members are fully funded.

17.02.12.08.05 if, after this process, there remains any assets in the RCA, those assets shall revert to the Company.

17.02.12.09 The agreement described under this Art 17.02.12 is based on the current Income Tax Act and regulations in effect as of the date the Order was issued by the Honourable George W. Adams. In the event that changes to the Income Tax Act and/or its regulations would change the amount of pension that can be paid from a registered pension plan, and/or the members' contributions that can be paid to a registered pension plan, and/or the rules applying to retirement compensation arrangements, the RCA Plan may be amended.

17.02.13 Pension Plan Surplus on Termination

17.02.13.01 The Registered Plan shall be amended to provide that, in case of termination of the plan, no part of the assets of the plan shall revert to the benefit of the Company until the Superintendent's consent has been obtained and:

- 17.02.13.01.01 provision has been made for the payment to Members and Former Members and their Spouses, Beneficiaries or estates of all accrued or payable benefits in respect of membership up to the date of the termination and, for that purpose, such benefits shall be treated as vested without regard to conditions as to age, period of membership in the plan or period of employment; and
- 17.02.13.01.02 provision has been made for distribution of surplus to Members, Former Members and Spouses, such distribution to be made by applying the surplus, up to the sum of the actuarial present value of benefits under the Supplemental Plan (his or her "excess commuted value"), to each such individual in the same proportion that his or her excess commuted value bears to the sum of all such excess commuted values.
- 17.02.13.02 In the event the Superintendent or other regulatory authority does not approve any payment of benefits or distribution of surplus to members, such payments or distributions shall be made in another form acceptable to the Association.
- 17.02.13.03 The purpose of this provision is to secure the benefits under the Supplemental Plan in the event of a plan wind-up and under no circumstances is it intended to provide for any increase in benefits.
- 17.02.14 Additional Remedies**
- 17.02.14.01 No benefits shall accrue after July 1, 2003 to members who have accumulated 35 or more years of pensionable service in the Registered Plan. This shall exclude years of service bought back by Pilots pursuant to Section 3 of Article IV of the Registered Plan. Pilot contributions shall also cease on that same date.
- 17.02.14.02 For Pilots who reach 35 years of pensionable service (excluding years of service bought back by Pilots pursuant to Section 3 of Article IV of the Registered Plan) after July 1, 2003, benefits shall cease to accrue from the date 35 years of pensionable service is reached. Pilot contributions shall cease on the same date.
- 17.02.14.03 For greater certainty, periods of service already bought back pursuant to Section 3 of Article IV of the Registered Plan shall continue to be subject to the same rules as those applicable before this agreement.
- 17.02.14.04 For service from July 1, 2003, the provisions of the Registered Plan and Supplemental Plan concerning benefits provided, not specifically addressed in this agreement, shall be substantially similar to those applicable to pre-merger Air Canada Pilots.
- 17.02.14.05 The form of payment providing for the continuation of 100% of the pension to the surviving spouse shall be offered to retiring members.
- 17.02.14.06 Ancillary benefits provided under the Pension Arrangement may be harmonized by the Company to facilitate the administration and communication of the Pension Arrangement. Such harmonization shall not decrease the actuarial value of the benefits payable under the Pension Arrangement.
- 17.02.14.07 Former CAIL Pilots who have pre-2000 military or pre-2000 furloughed service and who have not bought back these periods of service will be given the option to buy back these periods of service. Former CRA Pilots hired by AC/CAIL after April 2, 2000 will be given the option to buy back service pursuant to LOU 41 of the Air Canada/ACPA collective agreement.
- Pilots wishing to elect to buy back past service under Art 17.02.14.07 must make their election between January 1, 2003 and April 30, 2003. The buy-back of past service shall be at no cost to Air Canada.

17.02.15 Applicability of agreement

This agreement described under this Art 17.02 is subject to any review or approval that may be required under applicable pension or income tax legislation. The parties shall take any action that may be required to have the modifications contained in this agreement approved by the regulatory authorities.

The parties also agree that the normal selection process for a Board of Arbitration or sole arbitrator under Article 30 of the collective agreement does not apply to the implementation, interpretation and administration of Art 17.02. The parties recognize that, by virtue of the award of November 20, 2002 issued by the Honourable George W. Adams Q.C., Arbitrator Adams retains jurisdiction to resolve any dispute over the implementation, interpretation and administration of the November 20, 2002 award (as incorporated into Art 17.02) and shall do so in a summary mediation-arbitration manner as he deems appropriate. The parties further recognize that, pursuant to the mediation-arbitration protocol, the terms of Arbitrator Adams' appointment will continue to apply with respect to his retained jurisdiction.

In the event that Arbitrator Adams is unable to act, the parties agree to mutually select a replacement Arbitrator. Failing agreement between the parties on the selection of the arbitrator, the arbitrator will be appointed by the Minister of Labour.

17.02.16 Top-Up of Benefits on Grounded Retirement

A Pilot who exhausts benefits under the GDIP Plan and does not qualify for Disability Retirement, but elects, after ratification of the collective agreement, Grounded Retirement under Section 5.4 of the CAIL Pilot Pension Plan shall receive a monthly amount payable from the Company's general revenues equal to the Disability Retirement Pension the Pilot would have received had the Pilot retired with a Disability Retirement Pension less the Grounded Retirement Pension payable.

ARTICLE 18 – EXPENSES

18.01 General

18.01.01 Flight Duty – Pilots, when away from domicile on flight duty or when deadheading under orders from the Company, will be allowed reasonable and necessary expenses for rooms, meals, and transportation, the facilities and accommodation provided by the Company to be used whenever practical.

18.02 Allowances

18.02.01 Effective April 2, 2011 expense allowances shall be as follows:

18.02.01.01 In Canada and the United States:

		<i>Effective 2 April 2011</i>	<i>Effective 2 April 2012</i>
Breakfast	\$12.87	\$14.16	\$14.72
Lunch	\$14.58	\$16.04	\$16.68
Dinner/Meal	\$28.88	\$31.77	\$33.04
Snack	\$7.54	\$8.29	\$8.63
(Cdn Funds)	\$63.87	\$70.26	\$73.07

18.02.01.02 (US expenses shall be adjusted monthly to reflect a reasonable exchange rate effective at that time.)

18.02.01.03 For all other locations the meal allowance shall be reviewed quarterly in consultation with the Association to cover the reasonable cost of meals at those locations.

18.02.01.04 In establishing these meal allowances, the rates of exchange and changes in the “cost of food at that location” shall be used in the calculation of these meal allowances. However, the meal allowances will not be less than those specified in the Collective Agreement.

18.02.02 For each round trip to the airport at his home base for flight duty, periodic training, annual briefing, medical and ground school, a transportation expense shall be paid as follows:

	<i>Effective 2 April 2011</i>
\$4.30	\$5.30

18.02.02.01 Montreal based pilots required to make a round trip to Mirabel for such purposes shall be paid a transportation expense of seventeen dollars (\$17.00).

18.02.03 For flights involving hotel accommodation, a check in and gratuity allowance shall be paid as follows:

	<i>Effective 2 April 2011</i>
\$4.10	\$5.05

18.02.03.01 This allowance shall apply for each additional night of hotel accommodation.

18.02.04 For flights involving time away from home base in excess of one hundred and twenty (120) hours, an allowance for each complete twenty-four (24) hour period thereafter shall apply as follows:

	<i>Effective 2 April 2011</i>
\$10.00	\$12.50

18.02.05 For fees relating to procuring and renewing a passport, including express fees and photos, an annual allowance of \$34.25 will be provided.

- 18.02.06 The Company will reimburse, with supporting receipts, fees for all vaccinations required by the Public Health Agency of Canada for each region visited while on Company duty so long as it is confirmed as necessary by Air Canada Occupational Health Services.
- 18.02.07 A uniform maintenance allowance shall be paid to all Pilots from the beginning of line assignment. This expense will not be paid during any period of leave of absence without pay. Effective April 2, 2011, this allowance will be \$55.00 per month.
- 18.02.08 The Company will provide an allowance of one hundred dollars (\$100.00) to each Pilot every year for the purchase of shoes on the condition that they conform to uniform standards as prescribed by the Company.

18.03 Meals and Accommodations Standards Committee (MASC)

- 18.03.01 A Meals and Accommodations Standards Committee (MASC) comprised of Company and ACPA representatives will meet quarterly or otherwise as required for the purpose of updating the guidelines for on-board meals contained in Art 18.04, crew cycle expenses, crew transportation, hotel accommodations and home Base parking.
- 18.03.01.01 Where standards involving quality, quantity and/or variety of the meals are deemed to be deficient or deteriorating, it will be reported to the Company in writing. The Company will, within thirty (30) days investigate the situation and take appropriate action.
- 18.03.02 Unless otherwise agreed to by the MASC, in-flight meals for operating Pilots on Company aircraft will be boarded in accordance with Art 18.04.
- 18.03.03 Prior to establishing, changing or renewing hotel accommodations, the Company shall consult with the members of the MASC.
- 18.03.04 The MASC will develop a list of suitable hotels at both airport and downtown locations for each layover point.
- 18.03.04.01 The Company commits that, when selecting layover accommodations under this Article it will be guided by the following:
- 18.03.04.01.01 Location:
- (a) ACPA order of preference
 - (b) Length of the off-duty layover (Time)
 - (c) Transportation factors (Time, Quality, Cost)
 - (d) Availability of suitable accommodation at either location
- 18.03.04.01.02 Hotel:
- (a) ACPA order of preference
 - (b) Safety/Security issues
 - (c) Quality
 - (d) Availability
 - (e) Cost comparison
- 18.03.05 When any significant substantiated deterioration of accommodation is reported in writing by the MASC, the Company will, within thirty (30) days investigate the situation and take appropriate action.
- 18.03.06 In the event ACPA and the Company representatives cannot reach agreement on the suitability of any specific hotel as in Art 18.03.04 and Art 18.03.05 above, ACPA shall provide reasons in writing to the Vice-President, Flight Operations. The MEC Chairman and the Vice-President, Flight Operations will meet and resolve the matter.

- 18.03.07 The MASC will monitor and develop guidelines for home base parking including:
- Transportation to and from the facility
 - Security
 - Access control
 - Proper storage of luggage on buses
 - Travel times to & from the flight planning location
 - Cost

18.04 Pilot Crew Meal Guidelines

18.04.01 Overview:

- 18.04.01.01 Recognizing all aspects of Flight Safety as its primary objective, Flight Operations will ensure balanced meals are provided to the Pilots at regular intervals. The casserole portion of the meals will be 'J' class casseroles for hot breakfast, lunch and dinner. Whenever possible, meals will be boarded according to the Pilots normal eating periods, thereby satisfying the nutritional needs of the operating crews.
- 18.04.01.01.01 The type of in-flight meal boarded will depend on the time of day at the departure station and follow the normal breakfast, lunch, dinner sequence or part thereof.
- 18.04.01.01.02 All meal periods at a subsequent layover point will automatically revert to the local time upon arrival.
- 18.04.01.01.03 Flight Operations will attempt to keep meal intervals to a five (5) hour maximum and at the appropriate "reasonable meal hours" as described herein.

18.04.02 Meal Periods:

- 18.04.02.01 The meal periods will be:
- 18.04.02.01.01 Breakfast – Up to 08:30
- 18.04.02.01.02 Lunch – 12:00 to 13:30
- 18.04.02.01.03 Dinner – 17:30 to 19:30

18.04.03 Flight Leg Lengths and Ground Times:

- 18.04.03.01 Hot meals will only be boarded on flight legs of 1h35 or more.
- 18.04.03.02 A minimum ground time of 1h15 domestic and 1h30 transborder is required in order to eat a proper meal between flights.
- 18.04.03.03 Whenever the ground time between flights is less than 1h15 Domestic or 1h30 Transborder and the boarding of a hot meal on the next flight leg is not feasible (less than 1h35 Flight Time), a sandwich snack will be boarded.

18.04.04 Breakfast Guidelines:

- 18.04.04.01 A cold breakfast will be boarded for all departures up to 08:30 inclusive. No breakfast allowance will be paid out of home Base.

18.04.05 Lunch Guidelines:

- 18.04.05.01 A hot meal will be boarded on all flight legs (min. 1h35) which operate over the lunch period (12:00 to 13:30). A sandwich snack will be boarded for flight legs less than 1h35.
- 18.04.05.02 Pilots terminating duty at home Base will be paid the lunch allowance for arrivals of 12:30 or later (local time), providing the applicable meal was not already boarded on a previous flight leg.

18.04.06 Dinner Guidelines:

- 18.04.06.01 A hot meal will be boarded on all flight legs (min. 1h35) which operate over the dinner period (17:30 to 19:30). A sandwich snack will be boarded for flight legs less than 1h35.

18.04.06.02 Pilots terminating duty at home Base will be paid the dinner allowance for arrivals of 18:30 or later (local time), providing the applicable meal was not already boarded on a previous flight leg.

18.04.07 Snacks:

18.04.07.01 A snack allowance will be paid whenever a legal layover extends through the hour of 02:00 local time.

18.04.07.02 Sandwich snacks will be boarded in addition to a hot meal on certain long haul flights (overseas/global).

18.04.08 Bottled Water:

18.04.08.01 A 1 litre bottle of water will be boarded for each Pilot for each 8 hours on duty or portion thereof.

18.04.09 Domestic Freighter Guidelines:

18.04.09.01 For overnight operations (20:30 to 07:00), a hot dinner and hot breakfast and bottled water for each Pilot will be boarded. For operations with three (3) legs or more, Flight Operations will endeavour to board the hot dinner on the first leg and the hot breakfast on the last leg prior to destination.

18.04.10 Nighthawk Operations (20:00 to 07:00):

18.04.10.01 A hot meal for each Pilot will be boarded for the outbound leg and a hot breakfast will be boarded for the return leg.

18.04.10.02 If the ground time prior to the return leg exceeds 2 hours, a snack allowance will be paid.

18.04.11 Symbols:

18.04.11.01 The following symbols appear on the pairing sheets to indicate food service boarded for Pilot consumption:

HB – Hot Breakfast
CB – Cold Breakfast
HM – Hot Meal
HL – Hot Lunch
HD – Hot Dinner
SS – Sandwich Snack

18.04.12 Meal Adjustments:

18.04.12.01 These guidelines are meant to cover the majority of situations. Some adjustments to the meals boarded and/or allowances may be required on certain routes in order to maintain proper nutrition.

18.04.12.02 Pilots requesting an adjustment should contact their LEC Accommodation and Meal representative, who will present the request to the General Manager, Crew Scheduling and Flight Operations, for approval.

18.05 Training

18.05.01 Pilots when away from home domicile on training courses shall be allowed reasonable and necessary expenses for rooms and transportation. Meal expenses shall be as in Art 18.02.01.

18.06 Licensing Fees

18.06.01 Any fees assessed by Transport Canada for the purpose of attaining or maintaining Pilot licensing qualification to operate Air Canada aircraft will be paid for by the Company.

18.07 Moving Expenses

18.07.01 Pilots when transferring from one Base to another at Company request, will be allowed moving expenses for normal personal and household effects.

- 18.07.02 Pilots, when transferring from one station to another at their own request, or as successful Base bidders, will bear their own expenses.
- 18.07.03 Pilots, making mutual transfers with the joint approval of the Company and the Association, or otherwise transferring at their own expense, shall be provided space available transportation for themselves and dependent members of their families to the extent permitted by law.
- 18.07.04 Pilots, temporarily or permanently transferred from one Base to another at Company request, shall be allowed temporary or permanent transfer expenses, as the case may be, of not less than those provided in the Company's Regulations Manual.
- 18.07.05 Successful bidders on Pilot Vacancies to newly established or re-established Bases will be considered as having been moved at Company request.
- 18.07.06 Pilots may be allowed additional expenses when special occasions arise, subject to the approval of the Company.
- 18.07.07 A Pilot, when transferring from one Base to another at Company request, shall be allowed a reasonable period of travelling time, during which he will be allowed expenses in accordance with the Company's Regulations Manual.

18.08 Uniforms

- 18.08.01 The Company will arrange for the manufacture and supply of Pilot uniforms. The cost of a uniform, including: raincoat/topcoat, tunic, shirts, belt, cap and trousers and uniform accessories to be paid 100% by the Company.
- 18.08.02 The Company will supply 3 trousers every 3 years at no cost to the Pilot.
- 18.08.03 The Company will supply 1 tunic every 3 years at no cost to the Pilot.
- 18.08.04 The Company will supply 1 belt every 3 years at no cost to the Pilot.
- 18.08.05 The Company will supply 1 raincoat/topcoat every 4 years at no cost to the Pilot.
- 18.08.06 The Company will supply 2 ties every 2 years at no cost to the Pilot.
- 18.08.07 The Company will supply 4 shirts per year at no cost to the Pilot and up to an additional 4 shirts per year at 50% cost to the Pilot
- 18.08.08 Uniform Accessories – The Company will supply or assume the cost of buttons, braid, badges, uniform cap, insignia and wings as prescribed by the Company.
- 18.08.09 The Company will supply at no cost to the Pilot 1 suitcase every 4 years, as prescribed by the Company, and to be used while on duty.
- 18.08.10 Any additional items, as listed above, purchased by the Pilot, at company cost, and will be recovered through payroll deductions at 1% of gross Block Period pay.
- 18.08.11 Considering the acceptability of uniforms to be an important matter, the Company will hold a full consultation with an ACPA representative prior to making any change in the style, colour or material of the uniform.
- 18.08.12 As required and upon request, the Company will provide a maternity uniform.

ARTICLE 19 – VACATION

19.01 General

19.01.01 The vacation year is May 1 to April 30. Vacation periods will be available during the 12 months following the year in which they were accrued. From vacation period June 15th to September 15th not less than 10% of vacation allotments in each Position will be available. From vacation period December 15th to January 15th not less than 5% of vacation allotments in each Position will be available. These allotments will be scheduled evenly over these designated periods subject to operational requirements.

19.02 Entitlement

19.02.01 Annual vacation entitlement is based on years of service with the Company as of April 30 each year as outlined below:

<i>Years of Company Service as of April 30th</i>	<i>Vacation Entitlement</i>
1 year or more, but less than 5 years	14 calendar days
5 years or more, but less than 15 years	21 calendar days
15 years or more, but less than 25 years	28 calendar days
25 years or more	35 calendar days

19.02.02 The above entitlement is increased by 9 additional days in lieu of general holidays as provided for in the Canada Labour Code. These extra days off will accumulate at the rate of 3 calendar days per 4 full calendar months. The total accumulated days off in the calendar year will be added to the Pilot's vacation for the following year.

19.02.03 The vacation entitlements in Art 19.02.01 and Art 19.02.02 will apply following a full year of employment. Vacation entitlements for Pilots with less than a full year of service in the 12 months prior to April 30th, is prorated and is detailed in ACAeronet.

19.02.04 Vacation will not be cumulative and will be taken during the 12 months following the year in which they were accrued (unless special circumstances warrant otherwise and prior arrangements are made in writing with the Company). In cases where authorization has been granted to defer vacation in accordance with the provisions of Art 19.06, it will be carried forward and taken in the next vacation year.

19.02.05 The Company may offer vacation buy-back opportunities on a Block Period basis throughout a vacation year in accordance with the following parameters:

19.02.05.01 Subject to the availability of vacation buy-back, Pilots with a total yearly vacation entitlement of 37 days or more may, at their option, cash clear up to a maximum of 14 days of vacation. Pilots with a total yearly vacation entitlement of 23 days or more may, at their option, cash clear up to a maximum of 7 days vacation.

19.02.05.02 Vacation buy-back will be offered by Position. Notification to Pilots will be issued in the month prior to the Block Period in which the vacation period(s) commence(s).

19.02.05.03 Pilots interested in vacation buy-back must apply to the Crew Resources Department in writing (e-mail) no later than the 10th day of the month prior to the beginning of the Block Period in which the vacation was scheduled. Requests will be considered in seniority order. Outstanding unbid vacation will be considered subsequent to planned periods within the Block Period. Pilots will be advised of the status of their request a minimum of 3 days prior to the closing of the Block bid.

19.02.05.04 Vacation buy-back will not be offered in any Block Period during which any Pilot is on furlough or there is a surplus of Pilots on the current Pilot Position Assignment List.

19.03 Bidding

19.03.01 General:

- 19.03.01.01 Vacation scheduling, bidding and awarding of vacation periods will normally be processed in February or March. Vacation periods will be awarded in order of seniority in accordance with the Pilot's awarded Position.
- 19.03.01.01.01 A Pilot may bid a maximum of 14 days vacation on his primary bid for the period from June 15 to September 15.
- 19.03.01.02 ACPA "monitors" will observe the process and if any irregularities are discovered or reported, a review and resolution of irregularities will be undertaken by ACPA and Air Canada personnel.
- 19.03.01.03 Vacation for CPs, PPs and FIs will be handled as per Art 11.
- 19.03.01.04 A Pilot may not bid a vacation period during a known equipment conversion course.
- 19.03.01.05 Pilots will be entitled to unlimited vacation splits.
- 19.03.01.06 All vacation bids will be in 7 day periods. A Pilot may not leave less than 7 days of vacation unbid at any time during the vacation bid process. A Pilot with less than 7 days vacation entitlement will bid all vacation during the primary bid. For example, if a Pilot has less than 14 days of vacation remaining after the Primary bid, the Pilot must bid the remainder as a single period either during the Secondary or the Tertiary bid.
- 19.03.01.07 A Pilot must bid a minimum of 14 days in either a Primary bid or combined Primary/Secondary bid. By the completion of bidding the Primary, Secondary, and Tertiary vacation, a Pilot may not leave more than 28 days of vacation outstanding.
- 19.03.01.08 Except for Pilots retiring immediately following vacation, Pilots who are unable to take planned vacation due to illness will have such vacation considered as unbid vacation. Pilots who will retire immediately following their scheduled vacation will take their vacation as planned.
- 19.03.01.09 Once the annual vacation bid closes, unused vacation periods will no longer exist.
- 19.03.01.10 Pilots with unbid vacation may be assigned vacation at the Company's discretion in reverse seniority order from a Pilot's QPOS. The assigned periods will be 7 days or the balance of their entitlement, if less than 14 days are outstanding. Vacation can be assigned to a Pilot in consecutive Block Periods and in a Block Period where the Pilot already has vacation.
- 19.03.01.11 A Pilot may not be drafted to fly into his scheduled vacation period.
- 19.03.01.12 A Pilot will not be assigned to a vacation period with less than 30 days advance notice. Such notice will specify the beginning and ending dates of his vacation period. Vacation periods will commence and terminate at midnight. Vacation assignments once established may be re-scheduled outside the vacation year only by mutual agreement of the Pilot, the Company and ACPA. ACPA will be advised of all vacation deferments within the vacation year.
- 19.03.01.13 A Pilot who changes his Position will tentatively be scheduled to take his vacation on the dates he bid.
- 19.03.01.14 Notwithstanding the provisions of Art 19.03.01.12, within 30 days of the scheduled commencement of a Pilot's vacation period, alteration of such vacation period may be made only under extenuating circumstances and at Pilot option subject to Company concurrence.

19.03.02 Primary Bid:

19.03.02.01 Primary vacation will be awarded in seniority order based on each Pilot's APOS. A Pilot may bid all or part of his vacation allotment during the primary vacation bid, but must bid a minimum of 7 days. A Pilot who does not leave a vacation proxy bid, or cannot be contacted by the vacation bid monitors will forfeit the right to a Primary vacation slot. An awarded Primary vacation period can be changed only with the mutual agreement of the Company, the Pilot and ACPA, or if the Pilot is awarded a new APOS with a SPB bid line that indicates his willingness to move the vacation [VM] in order to accommodate the required training course. In the event the vacation is changed due to [VM], the changed vacation will be treated in accordance with Art 19.09.

19.03.03 Secondary Bid:

19.03.03.01 Secondary vacation will be bid immediately following the completion of the Primary bid. Secondary vacation will be awarded in seniority order based on the Position each Pilot holds on the current equipment list (APOS). A Pilot may bid any or all of his remaining vacation allotment during this bid but may not leave less than 7 days. A Pilot that does not leave a vacation proxy bid, or cannot be contacted by the vacation bid monitors will forfeit the right to a Secondary vacation slot. By mutual agreement between the Pilot and the Company, a Secondary vacation period may be changed including vacation moved to accommodate a training course [VM]. In the event the vacation is changed due to [VM], the changed vacation will be treated in accordance with Art 19.09.

19.03.04 Tertiary Bid:

19.03.04.01 Tertiary vacation bid will immediately follow completion of the Secondary bid. Tertiary vacation will be awarded in seniority order based on the Position each Pilot holds on the current equipment list (APOS). By mutual agreement between the Pilot and the Company, a Tertiary vacation period may be changed including vacation moved to accommodate a training course [VM]. In the event the vacation is changed due to [VM], the changed vacation will be treated in accordance with Art 19.09.

19.03.05 Additional Vacation:

19.03.05.01 During the vacation year, the Company may identify additional available vacation periods in a specific Position. These periods will be posted 45 to 60 days prior to the availability date. Any Pilot may bid in seniority order according to his QPOS. Any vacation that becomes available as a result of a deferral for training will be posted for bid. A Pilot will not be forced to take vacation with less than 30 days notice.

19.03.05.01.01 Additional vacation slots will be awarded in the following order:

19.03.05.01.01.01 Pilots with unbid vacation entitlement; then

19.03.05.01.01.02 Pilots who want to move a previously bid vacation (except Primary); then

19.03.05.01.01.03 Pilots who wish to defer vacation (except Primary) from a preceding Block Period, should the Company identify a need for deferments.

19.03.05.01.02 The Company will post additional vacation periods for bid should they become available and award them in order of seniority.

19.04 Optional 24 or 48

19.04.01 A Blockholder will have the option of adding an Optional 24 or 48 to each of his vacation periods. This Optional 24 or 48 will be placed immediately preceding or following the assigned vacation period. A Pilot's bank will not be debited in association with the use of an Optional 24 or 48.

19.04.02 A Pilot on Reserve will have the option of adding an Optional 24 or 48 to each of his vacation periods. This Optional 24 or 48 will be placed immediately preceding or following the assigned vacation period. This option will be treated as a leave of absence without pay and the MBG will be prorated accordingly. The Pilot on Reserve will have the option of moving any available days-off, from his Reserve Block in lieu of the leave of absence without pay.

19.04.03 Pilots must exercise their option when submitting their PBS bid.

19.05 Pilots Returning from GDIP

19.05.01 A Pilot returning from GDIP will be required to take outstanding vacation immediately unless otherwise mutually agreed to by the Pilot and the Company.

19.06 Deferment

19.06.01 In the event that it is necessary to defer vacation (e.g., because of training or Sickness) a vacation period may be deferred to specific dates preferably within the current vacation year. ACPA will be advised of all deferments. Payment in lieu of vacation will not be made without mutual agreement of the Company and ACPA.

19.06.02 Vacation assignments, once established may be rescheduled outside of the vacation year only by mutual agreement of the Pilot, the Company and ACPA.

19.06.03 Once mutual agreement has been obtained:

19.06.03.01 the deferred vacation will be added as a separate item to the Pilot's vacation entitlement for the next year;

19.06.03.02 at vacation bid time, the Pilot may include his "deferred" allotment with his subsequent vacation bids;

19.06.03.03 a Pilot may retain his deferred vacation until all Pilots have completed their vacation bids, and, in seniority order, bid for the remaining periods available.

19.06.04 Sufficient vacation periods must be made available at vacation bid time to cover all outstanding vacation requirements, including any deferred allotment.

19.07 Vacation Pay and Credits

19.07.01 Pay and Flight Time limitations are calculated from and to midnight. Blockholders and Pilots on Reserve will be credited as follows:

19.07.01.01 During a vacation period, Pilots will be paid and Flight Time limited 2h55 at DN for each calendar day.

19.07.01.02 For Pilots on reserve, for the remainder of the Block Period, the Pilot will receive the greater of his actual Flying Pay or his prorated MBG, calculated excluding the number of days on vacation.

Example: 30 day Block Period with 14 days on vacation.

Prorated MBG = $(30 - 14) \div 30 \times \text{MBG}$

19.08 Retirement

19.08.01 Pilots retiring at the normal age of retirement must bid at least a prorated vacation entitlement based on the number of calendar months remaining in the year from May 1st to his retirement date.

Example: A Pilot retiring at the end of November with 44 days of vacation entitlement must bid at least:

$7/12 \times 44 \text{ days} = 25.66 = 26 \text{ days}$

19.09 SPB Vacation Move for Training

19.09.01 Pilots who select vacation move for training (VM) on their SPB and are subsequently required to move their vacation for a course, may move it to a time mutually agreeable to both the Company and the Pilot. If no mutually agreeable date is found, the vacation will be treated as unbid vacation as per Art 19.03.05.

ARTICLE 20 – PILOT POSITION ASSIGNMENT

20.01 Categories and Groups

Captain Category			First Officer Category			Relief Pilot Category		
Group	Equip-Status	Rating	Group	Equip-Status	Rating	Group	Equip-Status	Rating
WC	B-777 C	1	WF	B-777 FO	7	RP	B-777 RP	13
	B-787 C	2		B-787 FO	8		B-787 RP	14
	A-330 C	3		A-330 FO	9		A-330 RP	15
	B-767 C	4		B-767 FO	10		B-767 RP	16
NC	A-320 C	5	NF	A-320 FO	11			
	EMJ C	6		EMJ FO	12			

20.02 Active Pilot

Every Pilot will be deemed an Active Pilot and will hold an APOS with the exception of inactive Pilots who are:

- | | |
|---|---------------------|
| MPs | Retired |
| Designated ACPA Representatives (Art 10.09) | Resigned |
| Long Term LOA (greater than 12 months) | Dismissed (Art 7) |
| GDIP (unlikely to return within 12 months) | Terminated (Art 21) |
| Surplus | Deceased |
| Furlough | |

or as determined by CMSC.

20.03 Crew Manning Steering Committee Review

- 20.03.01 The Crew Manning Steering Committee (CMSC) will consist of at least 2 representatives from the Company and 2 from ACPA.
- 20.03.02 A CMSC Review will take place 6 times per year, and consists of:
 - 20.03.02.01 a meeting of the CMSC where the past 12 months actual flying compared to the forecast flying will be reviewed, as well as future forecast flying; the establishment of Pilot requirements and vacancy and/or reduction requirements for each Position; the production and posting of a Crew Requirements Bulletin (CRB);
 - 20.03.02.02 a period of at least 7 days after the posting of the CRB for the Pilots to be able to adjust their SPBs;
 - 20.03.02.03 a Bid Award;
 - 20.03.02.04 a second meeting of the CMSC where the results of the Bid Award and the resultant Pilot Position Assignment List (PPAL) which includes the Pilot's seniority number, activation date and relative position (%) is approved;
 - 20.03.02.05 the posting of the PPAL (up to 7 days after the Closing Time);
 - 20.03.02.06 the posting (up to 45 days after the Closing Time) of training dates of any Pilot whose QPOS is different from his APOS.
- 20.03.03 CMSC Reviews will take place in February, April, June, August, October and December. Specific dates for the CMSC Reviews will be established one year in advance by the CMSC.
- 20.03.04 A CRB may be delayed or cancelled by the CMSC prior to the Closing Time.
- 20.03.05 The number of Pilots required in each Equipment-Status will be determined by the following formula:

- 20.03.05.01 Forecast monthly flying hours plus flight time credits for each equipment type and Status divided by 81 hours; PLUS
- 20.03.05.02 a minimum of 7% for reserve coverage; PLUS
- 20.03.05.03 vacation people-month requirements; PLUS
- 20.03.05.04 a factor to account for CPs, FIs and PPs.

20.04 Standing Preferential Bid (SPB)

- 20.04.01 A Pilot will be responsible for submitting a SPB which reflects his Position preferences.
- 20.04.02 A Pilot who does not submit a SPB or who submits an insufficient number of choices will be considered as requesting to remain in his APOS.
- 20.04.03 A Pilot may qualify any or all bid preference lines as follows:
 - 20.04.03.01 [P] percentile or [B] Positions from the bottom; or
 - 20.04.03.02 [PMO] Company paid move only; or
 - 20.04.03.03 [No CR] a Pilot will accept the position only if it does not require a course right; or
 - 20.04.03.04 [VM] vacation move for training.
- 20.04.04 Bid preference lines must be complete with regard to Base, Equipment, and Status.

20.05 Course Rights

20.05.01 Bidding

- 20.05.01.01 In order to bid to a Position, a pilot must: have either a restricted or unrestricted course right that can be spent towards training to that position; or be bidding to a Position that does not require the use of any course rights.
- 20.05.01.02 With the exception of the restrictions in Art 21.02, 21.03, 21.04, 20.09.09, 20.16 and LOU 75, where a Pilot has a course right that can be spent to train to a Position, a Pilot may bid and be trained to that Position.
- 20.05.01.03 The Company may release a Pilot from the restrictions in Art 21.02, 21.03, 21.04, 20.09.09, 20.16 and LOU 75 based on consistent economic principles with due regard to seniority, to a preferred higher rated Position as indicated on the Pilot's SPB
- 20.05.01.04 A Pilot who is restricted as to equipment and/or status by specific individual agreement between the Pilot and the Company will be allowed to change equipment and/or status only with Company approval.

20.05.02 Restricted Course Rights

- 20.05.02.01 Each New Hire Pilot shall be granted one restricted course right for each Group (WC, NC, WF, NF, RP).
- 20.05.02.02 A restricted course right can only be spent for training to a Position within the Group associated with the restricted course right. Where a Pilot has a restricted course right to a specific group, it shall be the course right spent to train to the Position.
- 20.05.02.03 A New Hire Pilot trained to his first Position with the Company will be deemed to have spent the restricted course right for that group.

20.05.03 Unrestricted Course Rights

- 20.05.03.01 Each New Hire Pilot shall be granted one unrestricted course right.
- 20.05.03.02 For years of service accumulated after Jan 1st, 2012, each Pilot will be granted one additional unrestricted course right after 15 years of service and another after 25 years of service.
- 20.05.03.03 Unrestricted course rights can be spent towards training to any Position.
- 20.05.04 Amount of Course Rights Spent

- 20.05.04.01 A full course right is spent when the TC-approved training footprint for the equipment course exceeds 75% of a full course.
- 20.05.04.02 Where the projected training footprint is 75% of a full course or less, but more than 25% of a full course only half of a course right is spent. When a Pilot uses ½ of a restricted course right, the remaining ½ will be converted to ½ of an unrestricted course right.
- 20.05.04.03 Where the projected training footprint is less than 25% of a full course (e.g. a differences course) no course right is spent.
- 20.05.05 Spending Course Rights
- 20.05.05.01 A full or ½ course right is deemed to have been spent on the completion of the required training and the subsequent line check or command final.
- 20.05.05.02 When a Pilot has been awarded a new APOS and begins training to the position, the course right that he will spend upon completion of the training is available to allow him to bid, be awarded and train to a different APOS up to and including the 14th calendar day of the start of their current training course, except for Article 20.05.07.01.05.
- 20.05.05.03 A senior Pilot who takes a junior Pilot's reduction to move to a higher rated vacant position will be charged a Course Right if applicable, except for Article 20.05.07.01.04.
- 20.05.06 Restoring Course Rights
- 20.05.06.01 A course right spent to be trained to a Position will be restored when a Pilot:
- 20.05.06.01.01 has been either force reduced or takes a junior Pilot's reduction; and
- 20.05.06.01.02 is trained to a lower rated Position.
- 20.05.06.02 When a Pilot exercises a RIR to return to a Position, the Pilot will spend the course right that was restored to him due to the reduction.
- 20.05.06.03 A Pilot who is force reduced from a position for which he spent a course right, and moves to a higher rated position on his base will receive a Course Right specific to the position from which he was force reduced. This Course Right will expire if the RIR from the associated forced reduction is forfeited.
- 20.05.07 Training That Does Not Spend a Course Right
- 20.05.07.01 A Pilot does not spend any course rights when that Pilot:
- 20.05.07.01.01 Is force reduced; or
- 20.05.07.01.02 A senior Pilot holding the same APOS as a force reduced Pilot moves to a lower position with or without a vacancy; or
- 20.05.07.01.03 A senior Pilot holding the same APOS as a force reduced Pilot moves to a higher position without a vacancy; or
- 20.05.07.01.04 At the time of a forced reduced Pilot's award, a senior Pilot holding the same APOS moves to a higher rated position where a vacancy exists in order to prevent a force reduction; or
- 20.05.07.01.05 Where the course is not completed after a training failure has occurred as described in Article 21; or
- 20.05.07.01.06 Uses a RIR to a lower rated Position in order to return to the base from which the Pilot acquired the RIR; or
- 20.05.07.01.07 Returns from Inactive status or loses his competency.
- 20.05.08 Course Rights After Furlough
- 20.05.08.01 A Pilot that is furloughed, upon return to active employment, will have his course rights restored as if newly hired.

20.06 Reinstatement Rights (RIR)

- 20.06.01 RIRs are Position specific and entitle a Pilot to be preferentially awarded the Position, without regard to normal seniority provisions and/or any freeze.
- 20.06.02 When more than one Pilot holds RIRs to a specific Position, those RIRs will be actioned in seniority order subject to the Pilots' SPBs.
- 20.06.03 When a Pilot is force reduced from his APOS he will be assigned a RIR to that Position. Any Pilot who elects to change Base without being forced will not be entitled to RIRs at the Base he elects to move from.
- 20.06.04 A Pilot who is force reduced out of his Group and remains on Base will acquire any RIRs, held by Pilots junior to him, to any Position within the Pilot's former Group. Should the Pilot reinstate to his original Position, all acquired RIRs will expire.
- 20.06.05 A Pilot, when reduced to the extent that he can no longer maintain a Position in his Base, will also acquire any RIRs, held by Pilots junior to him, to any Position in that same Base.
- 20.06.06 A Pilot who is forced to change Base shall inherit any RIRs, held by Pilots junior to him at his new Base, to a Position that he cannot hold at his new Base.
- 20.06.07 A Pilot will forfeit a RIR whenever he forgoes an opportunity to exercise that RIR.
- 20.06.08 A Pilot will forfeit all his RIRs if furloughed.

20.07 Vacancies and Reductions

- 20.07.01 A vacancy exists whenever there is an insufficient number of Pilots assigned to a Position.
- 20.07.02 A reduction exists whenever there is an excess number of Pilots assigned to a Position.
- 20.07.03 A subsequent vacancy, reduction or RIR created as a result of a change in a Pilot's APOS during a Bid Award will be actioned automatically during the Bid Award process.
- 20.07.04 Retirements and Surplus Pilot vacancies may be posted up to 1 year in advance on a CRB.

20.08 Awarding Vacancies and Reductions

- 20.08.01 A Pilot's SPB will be honoured in seniority order with vacancies and reductions being awarded as available at the time of his award, except in Article 20.05.07.01.04.
- 20.08.02 Only Pilots holding an APOS in the Base in which a vacancy occurs shall be eligible for award of the vacancy if the number of Pilots required for that Base is less than or equal to the existing number. This includes surplus Pilots being reactivated to their designated Base and Pilots with a RIR in that same Base holding a Position at a different Base.
- 20.08.03 Only Pilots holding an APOS, or RIR in the Base-Category in which a vacancy occurs shall be eligible for award of the vacancy if the number of Pilots required for the Base-Category is less than or equal to the existing number for that Base-Category.
- 20.08.04 Only Pilots holding an APOS, or RIR in the Base-Group in which a vacancy occurs shall be eligible for award of the vacancy if the number of Pilots required for the Base-Group is less than or equal to the existing number for that Base-Group.
- 20.08.05 A Pilot changing Positions on a reduction can assume any Position on his Base that his seniority allows him to hold, subject to Art 20.08.06.02. A change of Position on a reduction takes precedence over a RIR of a junior Pilot.
- 20.08.06 A reduction may only be awarded to:
 - 20.08.06.01 A Pilot as described in Art 20.08.07 or Art 20.08.08; or

- 20.08.06.02 A Pilot who is currently holding the same APOS as a Pilot junior to him who would be force reduced. The senior Pilot will use the most junior Pilot's seniority number in order to determine the Position he can hold.
- 20.08.07 A "Triple Reduction" may be awarded to a Pilot if the following conditions are met:
- 20.08.07.01 more Pilots in the Pilot's APOS than required; and
 - 20.08.07.02 more Pilots in the Pilot's awarded Base-Group than required; and
 - 20.08.07.03 more Pilots in the Pilot's awarded Base than required; and
 - 20.08.07.04 the Pilot is moving to an equal or lower rated Group on a Base which has fewer awarded Pilots than jobs available.
- 20.08.08 A force reduction is assigned to a Pilot whenever the Pilot can no longer hold his APOS. Force reduction will be in accordance with the Pilot's SPB.
- 20.08.09 A Pilot who is forced reduced from:
- B-767 C, A-320 C, or EMJ C; to LCC B-767 C, LCC A-319 C, or the highest paying LCC position on his base he can hold; or
 - B-767 F, A-320 F, or EMJ F to LCC B-767 F, LCC A-319 F, or the highest paying LCC position he can hold;
- will be paid the greater of the hourly rate for the LCC position, or the Position he was Force Reduced from until the Pilot forfeits his RIR, or he forgoes an opportunity to bid a higher paying position on base, whichever occurs first. Should the pilot at his first opportunity be awarded the higher paying position, the protected hourly rate will continue until his AD.
- 20.08.10 A Pilot forced to reduce from his APOS to a Position in a lower rated Group, who has sufficient seniority to hold a Position at another Base which would enable him to maintain or improve his Group, may elect to move to that Base.
- 20.08.11 If a Pilot is force reduced off his Base, he shall have the option of moving to any Position that he has sufficient seniority to hold in the system. If the Pilot elects to move to a Base that has more Positions than Pilots, the move shall be at Company expense.
- 20.08.12 If a Pilot subject to force reduction has no SPB on file or if there are an insufficient number of choices on his SPB, he will be awarded a Position, in accordance with the following priority:
- 20.08.12.01 His QPOS, if on Base, given sufficient seniority to hold it;
 - 20.08.12.02 Highest position in his group on his base that he can hold until exhausted;
 - 20.08.12.03 The next lower rated Position on Base that he can hold until exhausted;
 - 20.08.12.04 The next highest position on his base that he can hold until exhausted;
 - 20.08.12.05 The lowest rated vacant Position on the most junior Base that has more Positions than Pilots.

20.09 Pay & Training

- 20.09.01 The Activation Date (AD) is the date a Pilot will receive his new pay rate and benefits following a change of APOS.
- 20.09.02 Subject to Art 20.09.09, if a Pilot is changing to a higher Position, his AD will be the earliest of:
- 20.09.02.01 when he is qualified in his new Position; or
 - 20.09.02.02 when a junior Pilot who was awarded the same Position on the same bid has completed his training; or
 - 20.09.02.03 when any Pilot who was awarded the same Position on a later bid has completed his training; or
 - 20.09.02.04 240 days following the Closing Time.

- 20.09.03 Art 20.09.02.02 and Art 20.09.02.03 will not apply when another Pilot's training is rescheduled to an earlier date to fill an unanticipated training vacancy.
- 20.09.04 If a Pilot is changing to a lower rated Position, his AD will be the date he is qualified in his new Position.
- 20.09.05 A Pilot who is force reduced to a lower Position and assumes the highest paying Position on his base his seniority entitles him to hold will not lose his current pay or AD until all junior Pilots who have been force reduced from the same or higher Position (on base) to the same or lower Position (on base) have been trained (or granted a training delay for personal reasons) or until all Pilots that are deemed surplus and are QPOS on a higher paying Position are furloughed.
- 20.09.06 A Pilot scheduled for Captain Upgrade Training who has not completed his training by 60 days after his AD, will on successful qualification as Captain be paid retroactively the difference between his rate of pay and the rate of pay of his APOS for each hour flown for the period from 60 days after his AD to the date he successfully qualifies as a Captain.
- 20.09.07 When a Pilot fails at any stage of Captain Upgrade Training, the effective date of the pay benefits specified in this Article shall be delayed by the amount of time that the Pilot exceeds the normal training footprint.
- 20.09.08 A Pilot may request a training delay for personal reasons. If granted, his AD will be the date he is qualified in his new Position. If a Pilot is unable to start and/or complete training as scheduled for reasons of illness or injury or does not qualify his bid preference line with [VM] (vacation move for training), he will be deemed to have requested a training delay for personal reasons. Once he is available for training, he will be placed on the first available course that would minimize disruptions in the training plan.
- 20.09.09 Pay-In-Lieu: [Refer to L75.04]
- 20.09.10 A pilot who changes his APOS up to and including the 14th calendar day after the start of training will forfeit his AD, except for Art 20.09.05.

20.10 Base Transfer

- 20.10.01 A Pilot who is awarded a vacancy involving a Base transfer shall be transferred as follows:
- 20.10.01.01 If no training is required – the beginning of the first Block Period that commences after 60 days following the award, or as agreed by the Pilot and the Company;
- 20.10.01.02 If training is required – on completion of training, or while on training as agreed by the Pilot and the Company. The training will be scheduled to start no later than his AD.
- 20.10.02 A Pilot transferring on a Company paid move shall be entitled to travel to facilitate accommodation pursuant to Art 23. Moving expenses will be in accordance with Company Policy.

20.11 Compassionate Transfer

- 20.11.01 The Company and ACPA agree upon the need for a method of dealing compassionately with Pilots who may, in exceptional circumstances, require transfer to a Base other than the Base to which they are assigned.
- 20.11.02 The Compassionate Transfer Review Committee (CTRC) will be composed of 2 members from Air Canada (a management representative and an Air Canada OHS doctor), and 2 members appointed by ACPA. The ACPA members will not be ACPA Pilot Assistance Representatives. The CTRC will develop and utilise a criteria test with the objective of achieving a fair, equitable and consistent system-wide adjudication process.

- 20.11.03 Requests for compassionate transfer will be made through his ACPA Pilot Assistance representative or Chief Pilot.
- 20.11.04 All such requests must be forwarded to the CTRC and approval will require a majority vote. If the Committee vote is deadlocked, the ACPA MEC Chair will cast the deciding vote. This decision will then be returned to the CTRC for implementation.
- 20.11.05 Should such transfer be approved, the Company will create a temporary Position (surplus to requirements) at the new Base.
- 20.11.06 When a transfer is approved under this Article, the Pilot's rights at the new Base will be determined by the Company and ACPA using the following principles:
 - 20.11.06.01 The Pilot will retain his same Equipment-Status at the new Base with the exception that, if the Equipment-Status does not exist he will be allowed to qualify for a new Position. The CMSC will determine what Position the Pilot must bid at his new Base.
 - 20.11.06.02 The Pilot will be assigned the most junior Position on the Equipment-Status. Bidding for vacation periods, blocks, and all other contractual rights associated with seniority, will be based on the assigned Position.
- 20.11.07 The Pilot will absorb all costs associated with any moves.
- 20.11.08 Compassionate transfer provisions will cease once the Pilot is awarded a Position at the new Base.
- 20.11.09 The ongoing justification for all compassionate transfers will be reviewed annually by the CTRC. When a Pilot is required by the CTRC to return to his original Base, he will be reinstated in his original Position, with all associated bidding rights.

20.12 Inactive Pilots

- 20.12.01 An Inactive Pilot who is eligible to return to Active status will have a Declared Position (DP) assigned at the time he is posted as inactive. The Base associated with his DP will be his Designated Base (DB).
- 20.12.02 When a Pilot is furloughed, any RIR he holds will expire. During the period in which a Pilot is posted as inactive, except for furlough, his RIRs will not expire, but will remain dormant and will not prevent Active Pilots or other Pilots returning from Inactive Status from being awarded a position for which an Inactive Pilot holds a RIR.
- 20.12.03 Any Pilot who is inactive will have the opportunity to change his DP prior to Closing Time by using the SPB system. As part of the CMSC Review, the CMSC will determine if a Pilot's DP has changed. The Company will publish a list of each Pilot's DP within 30 days after the posting of the PPAL.
- 20.12.04 An inactive Pilot who does not have the seniority to hold his DP will acquire a RIR to that Position when an Active Pilot who is junior to him is assigned a RIR to the same Position.

20.13 Return from Inactive Status

- 20.13.01 The Pilot's DP shall be considered by the CMSC to determine which Position the Pilot is entitled to. When determining which Position a Pilot is entitled to upon his return from inactive status, the CMSC may also consider assigning a RIR to a Position his seniority would have entitled him to.
- 20.13.02 A Pilot returning to Active Pilot status from MP, Designated ACPA Representative, GDIP and Long term LOA, subject to CMSC agreement, may elect to assume any Position that he would have been eligible to be awarded on previous bids and may change his DB provided his seniority would allow such a move without a Group reduction. A Pilot will be deemed active once he has made this election.
- 20.13.03 When a Surplus Pilot is to return to Active Status, he will be Active for the purposes of bidding on the CMSC Review on which he is to return. His RIRs will become

Active for this Review as well. Once the PPAL from this Review is published, the Surplus Pilot's RIRs to Positions that are in a lower or the same Group as that awarded will expire.

- 20.13.04 If a Surplus Pilot cannot return to his DB, he will be eligible for a Company-paid move.
- 20.13.05 A Furloughed Pilot will assume any vacancy his seniority entitles him to. He will return to the payroll on the first day he reports for training. For the purposes of Course Rights entitlement, Pilots recalled from Furlough will be treated the same as a New Hire Pilot.
- 20.13.06 Any Pilot returning to Active status (other than from "Surplus" or "Furlough") who cannot return to his DB will be eligible for a Company-paid move if moving to a Base designated by the Company as open to additional assignments.

20.14 Base Exchange

- 20.14.01 Pilots holding the same equipment and status shall be permitted to make a mutual exchange of Bases provided that the Pilots concerned are entitled by seniority to hold the Position at the Bases of intended transfer and provided that approval is obtained from ACPA.

20.15 Introduction of New Equipment

- 20.15.01 The Company and ACPA will agree to the number of CPs required for the introduction of new Equipment to the system.
- 20.15.02 For a period of 12 months from the date of the first CRB on which the new equipment appears, a Pilot who holds an APOS on the new equipment may be trained out of seniority so that he may perform the duties of a CP on the new equipment.

20.16 New Hire Pilot

- 20.16.01 A new hire Pilot will submit a Position preference during the PIT course, but may be awarded any vacant Position.
- 20.16.02 A new hire Pilot will be frozen from the awarding of a new Position that requires training for a period of 4 years from his date of employment as a Pilot. This freeze may be removed by the Company in seniority order.
- 20.16.03 A Pilot who is prevented from being awarded a new APOS because of the freeze in Art 20.16.02, and has sufficient seniority to hold the Position, will receive the rate of pay for the new Position. This rate of pay will continue until such time as the Pilot fails to indicate a preference for this Position on his SPB or the Pilot's seniority does not entitle him to hold the associated Position (the rate of pay will be discontinued when there are no Pilots junior to him who are assigned or qualified in the associated Position).

ARTICLE 21 – TRAINING

21.01 Administration

- 21.01.01 The development and monitoring of Pilot proficiency standards and the quality of training are the ultimate responsibility of the Company.
- 21.01.02 For the purposes of this collective agreement Checks include:
- 21.01.02.01 Pilot Proficiency Check (PPC)
- 21.01.02.02 Line Operational Evaluation (LOE)
- 21.01.02.03 Online Evaluation (OE)
- 21.01.02.04 Qualifying Online Evaluation (QOE)
- 21.01.02.05 Command Simulator
- 21.01.03 Simulator Training and Line Indoctrination include:
- 21.01.03.01 Initial Pilot Proficiency (IPF)
- 21.01.03.02 Manoeuvres Training (MT)
- 21.01.03.03 Manoeuvres Proficiency Validation (MPV)
- 21.01.03.04 Line Oriented Flight Training (LOFT)
- 21.01.03.05 Special Purposes Flight Training (SPOT)
- 21.01.03.06 Manoeuvres Training Validation (MTV)
- 21.01.03.07 Initial Operating Experience (IOE)
- 21.01.04 A Pilot will be entitled to 2 consecutive days off out of each 7 days while in ground school, simulator or flight training. These days off will be from midnight to midnight. At Pilot option, if training is not at the Pilots home Base the Pilot will be entitled to 1 day off at home Base for every 2 days off taken in the training city.
- 21.01.05 Days off which a Pilot is unable to take during training may be accumulated but must be cleared prior to returning to duty at home Base.
- 21.01.06 A Pilot may elect to forego any part or all of the above days off.
- 21.01.07 A Pilot will not be required to fly his previous equipment once he has commenced simulator training on his new equipment.
- 21.01.08 A Pilot will, at his option, have a minimum of 2 calendar days off prior to the start of a Transition or Upgrade Training course including a simulator only course. For these 2 days the Pilot will receive 2h40 per day DN for Flying Pay and Flight Time Credits.
- 21.01.09 For a transition course with a known start date, these days off will be scheduled in PBS. A Pilot who elects to be planned to work the first or both of these Optional day(s) must notify crew scheduling of his preference no later than 48 hours prior to PBS block closing. After block closing, a Pilot electing to forgo the first or both of these Optional day(s) off may do so by notifying crew scheduling.
- 21.01.09.01 A Pilot may, at his option, request an additional day off for the purposes of travelling to training. In such cases, no Flying Pay or Flight Time limitation credits for this travel day will apply and the additional day off must be planned using PBS prior to block close.
- 21.01.10 A Pilot will have a minimum of 24 hours rest upon completion of Transition or Upgrade training before commencing line duties. This 24 hour period will be at Pilot option.

- 21.01.11 A Pilot may at, Company discretion, be scheduled for simulator training and checking, excluding briefing and de-briefing, between 01:00 and 07:00. Training and checking during this period will be kept to a minimum. Any unsatisfactory assessments/failures during this period will be administered in accordance with Art 21.02, but the event will not be counted as an unsatisfactory assessment/failure.
- 21.01.12 A Pilot will not be scheduled for more than 8 hours of training per calendar day and will not be scheduled for more than 4 hours of simulator training per calendar day. All Pilots assigned to a simulator period, whether completing crew complement or periodic training, will be subject to normal duty day limitations and/or crew rest as applicable.
- 21.01.13 A Pilot assigned to flight simulator for the sole purpose of completing a crew complement will be limited to 1 period of 4 hours per day and may be extended to 8 hours due to simulator breakdown.
- 21.01.14 A Pilot required to complete a crew complement in the simulator will not have his performance formally assessed. If it is apparent the Pilots performance is sub-standard the Pilot will be advised of the situation and given an opportunity to demonstrate his competence. Should this occur, the Pilot will be handled in accordance with Art 21.02.
- 21.01.15 A Pilot on Captain Upgrade Training who has completed the simulator portion of the Transition Training Element, and is subsequently awarded a First Officer Position will be allowed to complete this training and be promoted to Captain before reverting back to First Officer status.
- 21.01.16 A Pilot may request that another Air Canada Pilot be present in the Flight Deck or in the simulator as an observer for any Check. The Pilot selected as an observer must be acceptable to both parties.
- 21.01.17 All Airborne Training, and Checks will be completed by an Air Canada MP, CP, FI or a Transport Canada Air Carrier Inspector. When an Air Carrier Inspector is conducting the Check, the simulator, airborne training or line check must be operated by an MP,CP or FI.
- 21.01.18 All line indoctrination will be completed by an Air Canada Pilot qualified on type. Where a new aircraft type is being introduced to the Air Canada fleet, a manufacturer's representative may be used for line indoctrination or line checks only until sufficient Air Canada MPs, CPs, FIs are qualified on type.
- 21.01.19 Simulator crewing will normally be completed with a crew combination of Captain/First Officer. However, at Company discretion, simulator crewing with Captain/Captain, First Officer/First Officer, and/or, subject to Art 28.07, with Contract Instructors, may be permitted. Any unsatisfactory assessments/failures during this period will be administered in accordance with Art 21.02, however, the event will not be counted as an unsatisfactory assessment/failure. Any Pilot receiving an unsatisfactory assessment or failure during one of these sessions will have the option of having a Captain / First Officer crew combination on the subsequent assessment. No check rides will be permitted with a crew combination involving any Contract Instructor.
- 21.01.20 Audio-visual recordings taken during LOFT sessions will not be used for Pilot monitoring, or Checking or in any disciplinary action without the written consent of the Pilots involved and ACPA. Further, Air Canada agrees that audio-visual recordings of LOFT sessions will be erased in full view of the Pilots at the conclusion of the LOFT debriefing.

21.02 Failure Handling Procedures

21.02.01 Training and Checking:

- 21.02.01.01 When a Pilot's performance is assessed as unsatisfactory or incomplete, the Pilot and ACPA will be advised and the candidate will be returned to the training department for additional training.
- 21.02.01.02 During this process the Pilot candidate will have the option of requesting that a different CP, FI, MP or Transport Canada CP will conduct the check.
- 21.02.01.03 In the event that additional training does not result in the candidate's successful completion of the check a meeting will be convened with a MP, the Pilot and an ACPA representative. In addition, an appropriate medical evaluation will be completed to determine if a medical condition exists and is a contributing factor to the candidate's inability to complete the check.
- 21.02.01.04 If, as a result of this medical evaluation, the Pilot is assessed as unfit, the Pilot will be placed on medical leave until such time as the Pilot is considered fit to resume training. If the Pilot is assessed as fit, the Pilot will continue training until a successful assessment has been achieved.
- 21.02.01.05 A Pilot, assessed as unsuccessful during transition training will have the option of either completing the steps in Art 21.02.01 and Art 21.02.02 or returning to his previous Position.
- 21.02.01.06 If the Pilot chooses to return to his previous Position he will be paid at the appropriate rates for the Position that he is qualified for and will be frozen from bidding on a Vacancy for a period of 36 months from the date of re-qualification to his previous Position.
- 21.02.01.07 If, at the end of the 36 month freeze, the Pilot is awarded a Vacancy but is subsequently unsuccessful, he will be returned to his previous Position and will be frozen from bidding on a Vacancy for a period of 60 months from the date of re-qualification to his previous Position.
- 21.02.01.08 In the event that the Pilot's previous Position is no longer in the fleet plan or he can no longer hold his previous Position, he will be entitled to bid any lower rated Position in his status his seniority can hold.

21.02.02 Failure to Progress:

- 21.02.02.01 Failure to progress will only apply to Initial Captain Upgrade and Initial Relief Pilot to First Officer Upgrade consisting of the following:
 - 21.02.02.01.01 Simulator training prior to LOE
 - 21.02.02.01.02 Initial operating experience prior to the command final
 - 21.02.02.01.03 Any remedial training as defined in the AQP program
- 21.02.02.02 When the Chief Pilot, is notified by the AFI or IOETC of a Pilots lack of progress there will be a complete review of the Pilot's training file and the following action will be taken:
 - 21.02.02.02.01 recommend the Pilot for a Check; or
 - 21.02.02.02.02 conduct an interview with the Pilot; and
 - 21.02.02.02.03 arrange for a Progress Assessment to be conducted.

21.02.03 Progress Assessment:

- 21.02.03.01 A Progress Assessment will only be conducted by a MP/CP/FI.
- 21.02.03.02 The Pilot may request the attendance of an ACPA representative as an observer during any Progress Assessment. If the Assessment is conducted on a line flight the ACPA representative will be designated an ADC. Qualification on type is preferred but not a requirement. The MP/CP/FI and the ACPA representative will confer prior to the Pilot being debriefed on his performance.
- 21.02.03.03 Where a Pilot was in training for a simulator check, the Progress Assessment will be conducted in the simulator.

- 21.02.03.04 Where a Pilot was in training for an OE, the Progress Assessment will be conducted on a line flight and the MP/CP/FI will be an operating member of the crew. If safety is a concern, the Assessment will be conducted in the simulator.
- 21.02.03.05 After the completion of the Progress Assessment, the Chief Pilot, in consultation with the parties involved, will do the following:
- 21.02.03.05.01 Recommend the Pilot for the relevant Check; or
- 21.02.03.05.02 Assess the Pilots performance as unsatisfactory.
- 21.02.03.06 An unsatisfactory assessment will constitute a failure within the meaning of Art 21.03 and Art 21.04.

21.03 Captain Upgrade Training

- 21.03.01 The number of failures in the Captain Training Program is cumulative to a maximum of 3.
- 21.03.02 A Pilot undergoing Captain upgrade training will have the option of terminating training and returning to his previous Position anytime after his first unsuccessful assessment. The Pilot returning to his previous Position will be frozen from bidding for a period of 36 months from the date of re-qualification on that Position.
- 21.03.03 Following a second failure a meeting will be convened with a Management Pilot, the Pilot and an ACPA representative. In addition an appropriate medical evaluation will be completed to determine if a medical condition exists and is a contributing factor to the candidate's inability to complete the check.
- 21.03.03.01 If, as a result of this medical evaluation, the Pilot is assessed as unfit, the Pilot will be placed on medical leave until such time as the Pilot is considered fit to resume training.
- 21.03.03.02 If the Pilot is assessed as fit, the Pilot will return to training.
- 21.03.04 After a third failure, the Pilot will return to his previous Position.
- 21.03.04.01 A Pilot returning to his previous Position will be frozen from bidding on a Captain Vacancy for a period of 36 months from the date of re-qualification to that Position.
- 21.03.04.02 If, after the 36 month freeze, the Pilot bids another Captain upgrade course and is unsuccessful, he may be returned to his previous Position and will be restricted to First Officer status for the remainder of his career.
- 21.03.05 In the event that the Pilot's previous equipment is no longer in the fleet plan or he is unable to hold his previous equipment, he will be entitled to bid any First Officer or RP Position that his seniority can hold.

21.04 Relief Pilot to First Officer Initial Upgrade

- 21.04.01 A Pilot assessed as unsuccessful during Relief Pilot to First Officer transition training will have the option of either completing the applicable steps in Art 21.02.01.01 and Art 21.02.01.02 or returning to his previous Position anytime after his first failure.
- 21.04.02 If the Pilot chooses to return to his previous Position, he will be paid at the appropriate rates for the Position that he is qualified on and will be frozen from bidding on a Vacancy for a period of 36 months from the date of re-qualification to his previous Position.
- 21.04.02.01 If, at the end of the 36 month freeze, the Pilot is awarded a Vacancy but is subsequently unsuccessful, he will be returned to his previous Position and will be frozen from bidding on a Vacancy for a period of 60 months from the date of re-qualification to his previous Position.
- 21.04.02.02 In the event that the Pilot's previous Position is no longer in the fleet plan or he cannot hold his previous Position, he will be entitled to bid any RP Position in his status his seniority can hold.

21.05 Career Re -Orientation Plan

- 21.05.01 A Pilot who fails to maintain or achieve competency and, as a result, whose services with the Company are terminated, will be paid the following allowances:
- 21.05.01.01 5 weeks for the first three years, prorated;
 - 21.05.01.02 3 weeks per year, prorated until the maximum of 52 weeks has been reached.
 - 21.05.01.03 The maximum benefit of 52 weeks will be reduced by 6 weeks per year, prorated commencing on the Pilot's 51st birthday. This allowance will be based on the average daily earnings of the last 12 full calendar months prior to the effective date of termination.
- 21.05.02 The rate of pay will be the average daily earnings of the last 12 full calendar months on the equipment and status held immediately prior to the competency problem.
- 21.05.03 The above allowances will not apply to a Pilot who is on probation.
- 21.05.04 A Pilot will become eligible upon commencing his third year of employment with the Company at which time his past service will accrue.
- 21.05.05 The provisions of the plan will not apply where the service will terminate because of resignation, normal or early retirement, medical or health reasons, or discharge as a result of wilful misconduct.
- 21.05.06 Should a Pilot otherwise entitled to the benefits of this plan accept alternate employment with the Company, he will forfeit any claim to the above allowances.
- 21.05.07 This Agreement will have no effect on the rights of the individual under the terms of the Collective Agreement.
- 21.05.08 The payment of a Career Re-Orientation Allowance, as defined under the Collective Agreement, to a Pilot grounded for competency reasons, will not affect his eligibility for an early retirement pension, provided he has attained the necessary age and service; nor will it affect the pass privileges that apply to a retired employee.

ARTICLE 22 – SCHEDULING PREAMBLE

- 22.01** The objective of the Air Canada Pilot Scheduling System is to provide the best possible working conditions for the Pilots at each base with due regard to seniority and consistent with the necessary operational requirements and economy. The best way to achieve this objective is to provide, wherever possible, the maximum amount of flying and the minimum amount of ground time in the pairing of flights.
- 22.02** Seasonal schedule changes, irregularities that result from weather and aircraft mechanicals, and maintaining a high standard of Pilot competency on the various types of equipment and routes, make Air Transportation a dynamic and complex business.
- 22.03** These factors make it extremely difficult to completely stabilize working conditions for flight crews. A cooperative working relationship between the Air Canada Crew Scheduling department and the ACPA Scheduling Committee, results in a sound and mutually satisfactory Pilot Scheduling System. All the scheduling provisions will be applied uniformly in order to maintain consistency in scheduling Pilots across the system. Due to the many factors involved, it may not be feasible to have a specific rule to cover every situation that may arise, and in the final analysis we must rely on sound judgment in assessing and resolving any particular situation. If it is found that any of the rules require change, or alternatively, additional rules should be adopted, such changes or additions will be agreed to by the Company and ACPA.
- 22.04** The Crew Scheduling function in this system is an extremely important one. Educational programs will be conducted to ensure that Crew Scheduling personnel have a complete and thorough understanding of this Agreement. The objective is to avoid interruption of service wherever possible. While taking into consideration the operational requirements, it is important that the Crew Scheduler understands the Pilot's point of view. A cooperative relationship between Pilots and Crew Scheduling personnel is a valuable asset and it is anticipated that both groups will do their utmost to this end.

ARTICLE 23 – DEADHEAD AND PILOT TRAVEL

23.01 Deadhead Movements

23.01.01 Flying Pay and Flight Time credits:

23.01.01.01 General Pay – When a Pilot deadheads under Company orders, he will receive credit for Flight Time limitation and Flying Pay purposes, DN, based on the greater of the actual deadhead time, scheduled time, or computed time where no schedule exists, as outlined below:

23.01.01.01.01 All deadheads in a pairing as awarded or assigned are at half pay and half credit.

23.01.01.01.02 All deadheads that result from the modification of a planned pairing as a result of consolidation, cancellation, substitution or misconnection are at full pay and full credit.

23.01.01.01.03 All deadheads added to a pairing that includes new or additional operating legs are at half pay and half credit.

23.01.01.02 Other Carriers – Pay and Flight Time credits for deadheading on other than Air Canada flights will be based on published scheduled times.

23.01.02 Surface Deadhead:

23.01.02.01 When a Pilot is required to deadhead via surface transport, he will receive pay and Flight Time credits in accordance with Art 23.01.01.01 for the actual times involved. Pilots must notify the crew scheduling office of the actual times involved, should these times be different than planned.

23.01.03 Exceptions:

23.01.03.01 A Pilot traveling to another Base for the purpose of ground or flight training will not receive Flight Time credits.

23.01.03.02 A Pilot transferring to another Base will not be entitled to Flying Pay or Flight Time credits.

23.01.03.03 For the purpose of deadheading to simulator at another Base, Flying Pay will be cash cleared. Flight Time credits will not apply.

23.01.04 Seating:

23.01.04.01 Flight Duty – The Company will provide Highest Class Positive Space travel for Captains (except as outlined in Art 23.01.04.02) and Economy Positive Space travel with move-up privileges to the Highest Class for First Officers and Relief Pilots when deadheading. For an all-Economy class flight, the Highest Class is Economy. A mainline Pilot will not be required to deadhead on the LCC provided he can complete the flights required of him within the same Flight Duty Period by deadheading on an Air Canada flight.

23.01.04.02 For deadheads that have not been secured within 36 hours of departure time, the Company will make the booking as soon as it becomes aware of the requirement. Where no First/Business class seat is available at the time of booking on flights equipped with a first/business class seat configuration, and for flights that are scheduled for 4 hours or less, the following rules will apply:

23.01.04.02.01 The Captain may be assigned an economy seat and Crew Scheduling will ensure that the Captain is wait listed in First/Business class.

23.01.04.02.02 The Captain will be compensated with a 50% premium (cash cleared) on his hourly wage for the duration of the flight if required to deadhead in economy due to First/Business class not being available on flights equipped with a first/business class seat configuration.

Note: For deadheads outside the limitations in Art 23.01.04.02, and at the request of Crew Scheduling, the Captain may accept to deadhead in economy in exchange for the premium outlined in this clause.

- 23.01.04.02.03 In the event of a claim or dispute, upon ACPA's request, the Company will provide to ACPA the data necessary to verify compliance.
- 23.01.04.03 Economy seating priority for all Pilots will be aisle seat, followed by window seat, then middle seat.
- 23.01.04.04 Economy Flights with F/J Cabins – The Company will make every effort to assign seats in the F/J class cabin when Pilots deadhead on flights that are designated as all economy flights.
- 23.01.04.05 Smoking Flights – Pilots will not deadhead on smoking flights.
- 23.01.04.06 Deadheading on other Carriers – The Company will provide the following to Pilots deadheading on other than Air Canada flights: Positive J Class (Business Class) and if not available, will then provide the following levels in the following priority:
- 23.01.04.06.01 ID50 First Class if able to guarantee the reservation;
- 23.01.04.06.02 Positive Economy class and waitlisted for J Class (Business Class) and ID50 First Class. It is understood that a Pilot who is waitlisted and is provided an upgrade, will pay for the upgrade and will submit this expense on his normal crew cycle expense claim.
- 23.01.04.07 Freighters – Pilots will not deadhead on Freighter aircraft.
- 23.01.05 Changes to Designated Deadhead Flights:
- 23.01.05.01 Pilots may deadhead on other than designated flights on an individual basis provided permission is obtained from the Chief Pilot. Requests will be given every consideration but there may be occasions when it is not possible to grant this permission.
- 23.01.06 A Pilot will not normally be required to deadhead between 22:00 and 05:00 of the start duty period time zone if other Air Canada flights are available. Guarantees will be calculated as if the deadhead actually took place on the flight available during this period. A Pilot who is planned to deadhead to home Base during this period will normally be allowed to deadhead home on the first available flight after 05:00, and the minimum off-duty rest period will commence 15 minutes after arrival at home Base. Any additional layover expenses incurred using this procedure will be paid by the Company. A Pilot will neither increase nor decrease his Flying Pay and/or Flight Time credits as indicated on the original pairing by this procedure.

23.02 Training

- 23.02.01 Pilots will be provided with PY1/J05 priority passes when travelling for training.

23.03 Base Transfers

- 23.03.01 Space available passes issued in conjunction with Base transfers will be a 'D' priority.
- 23.03.02 Pilots entitled to positive space passes as a result of not being trained/transferred by the posted activation date will be issued PY1/J05 priority pass.

23.04 Company Paid Moves

- 23.04.01 Positive Space passes issued in conjunction with a Company paid move will be priority PY1/J05.

ARTICLE 24 – CREW REST FACILITIES

24.01 Crew Rest Definitions

- 24.01.01 **“Onboard Crew Rest Facilities”** – These facilities will be for the exclusive use of Pilots, and will be located to provide quick access to the flight deck. They must include either a “Flight Relief Bunk” and a “Crew Rest Seat”; a “Flight Relief Bunk and “J” class seat; or a “Flight Relief Seat” for each augment or Relief Pilot.
- 24.01.02 **“Crew Rest Seat”** – A reclining seat in the Pilot crew rest module equipped with leg rests, portable oxygen, a call device enabling the flight deck to immediately summon the resting crew member and an in-flight entertainment system (IFE).
- 24.01.03 **“Flight Relief Seat”** – a comfortable seat located in the forward passenger cabin that fully reclines to a 180° lie-flat position parallel to the cabin floor, has leg rests and is separated and screened from the passengers and flight deck. It must also be equipped with adequate airflow, a call device enabling the flight deck to immediately summon the resting crew member, a sleep restraint, portable oxygen. It will not be subject to distraction from noise (particularly random noise), movement or vibration in the cabin. Approval of this seat will be by mutual agreement between the Company and ACPA.
- 24.01.04 **“Flight Relief Bunk”** – a bunk for each resting crew member which meets, as a minimum, the requirements set out in SAE ARP4101/3 “Crew Rest Facilities” and is free from sources of noise (particularly random noise). Approval of this bunk will be by mutual agreement between the Company and ACPA.

24.02 General

- 24.02.01 On flights that require augmentation the aircraft will be equipped with an “Onboard Crew Rest Facility”, as stipulated in Art 24.01.01.
- 24.02.02 On flights that require augmentation, fresh pillows and blankets, will be provided for each crew member. On bunked aircraft, fresh sheets will also be provided for each crew member.
- 24.02.03 If required, the Crew Rest Facility will be attended to by maintenance with the same priority as the J Class cabin.

24.03 Aircraft

- 24.03.01 Boeing 777 – the bunks and seats in the crew rest module on the 777 meet the requirements of “Onboard Crew Rest Facilities” i.e. “Flight Relief Bunk” and “Crew Rest Seat” for single and double augmentation.
- 24.03.02 Boeing 787 Aircraft – The bunks in the Boeing crew rest module on the 787 meet the requirements for a “Flight Relief Bunk”. In addition to the single Crew Rest Seat in the crew rest module one J-Class seat will be provided for all flights requiring single and double augmentation.
- 24.03.03 A330 Aircraft – on the A330-300 aircraft, one Flight Relief Seat will be deemed to meet the requirements of an Onboard Crew Rest Facility for single augmentation.
- 24.03.04 Boeing 767 Aircraft – on the 767-300 aircraft, one Flight Relief Bunk and one J-Class seat, or one Flight Relief Seat will be deemed to meet the requirements of an Onboard Crew Rest Facility for single augmentation. Notwithstanding the above, in order to operate all economy configured 767-300 aircraft, the existing crew rest seat on the 3Y0 aircraft will meet the requirement of an Onboard Crew Rest Facility.
- 24.03.05 A320 Aircraft-on North American and Caribbean operations, one additional crew member requires 2 adjoining J-Class seats.

24.04 Introduction of New Aircraft

- 24.04.01 Upon the introduction of a new type of aircraft, or re-introduction of previously operated Air Canada types, the Company and ACPA will enter into discussions to establish appropriate "Onboard Crew Rest Facilities"
- 24.04.02 A joint ACPA -Air Canada team will cooperate with Air Canada Engineering and Maintenance and or the aircraft manufacturer to monitor the development and finalize the design of the "Onboard Crew Rest Facilities".

ARTICLE 25 – PAIRING RULES

Planned Pairing Construction

25.01 Duty Period Start and End

25.01.01 Operating:

25.01.01.01 The flight duty period will commence 1h15 prior to the scheduled departure, or the required reporting time, whichever is later, and will end 15 minutes after actual arrival.

25.01.02 Deadheading:

25.01.02.01 From Canadian Airports To Canadian Airports – The flight duty period will commence 45 minutes prior to the scheduled departure, or the required reporting time, whichever is later, and will end 15 minutes after actual arrival of the designated flight.

25.01.02.02 From Canadian Airports To Non-Canadian Airports – The flight duty period will commence 1 hour prior to the scheduled departure, or the required reporting time, whichever is later, and will end 15 minutes after actual arrival of the designated flight.

25.01.02.03 From Overseas Operations Airports To Any Airport – The flight duty period will commence 1 hour prior to the scheduled departure, or the required reporting time, whichever is later, and will end 15 minutes after actual arrival of the designated flight.

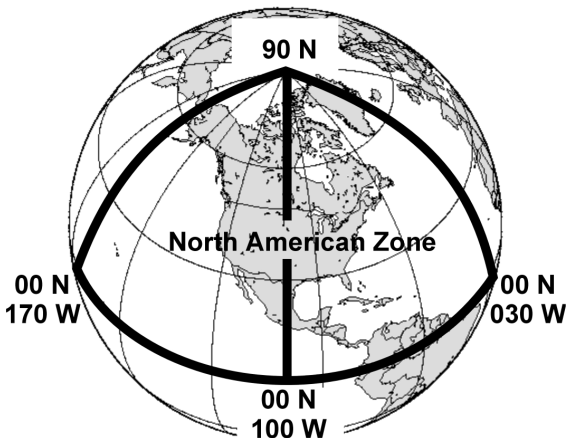
25.01.02.04 From All Other Airports To Any Airport – The flight duty period will commence 45 minutes prior to the scheduled departure, or the required reporting time, whichever is later, and will end 15 minutes after actual arrival of the designated flight.

25.01.02.05 For duty period limitation purposes only, a Pilot deadheading without deadhead credits will be deemed to have been on duty 45 minutes to the planned departure time and until 15 minutes after arrival of the deadhead flight.

25.01.02.06 When a Pilot commences a flight duty period with a deadhead and there is less than 1h15 planned connection time to the operating flight, the duty time will commence 1h15 prior to the planned departure time of the deadhead flight.

25.02 North American Zone

25.02.01 The North American Zone is bounded by 30W, 170W and the equator.



25.03 Planned Flight Duty Period Limitations

- 25.03.01 Pairings created or modified by the Company will be planned using the rules below and in table A, B, and D when all points within a flight duty period are inside the North American Zone.
- 25.03.02 Pairings created or modified by the Company will be planned using the rules below and in table C and D when any point within a flight duty period is outside the North American Zone.
- 25.03.03 The maximum planned flight duty period will be governed in accordance with local time at commencement of the flight duty period.
- 25.03.04 Flight duty periods may be planned in excess of those specified in the tables below subject to agreement within JOPEC.
- 25.03.05 A Pilot who undergoes training prior to line flying will be considered as on flight duty for flight duty period limitation purposes only, from the time he is required to report for training or as detailed in Art 25.01.02 prior to a deadhead movement to the training location, whichever is earlier. DPG and/or TTG, if applicable, will commence at the reporting time for line flying.
- 25.03.06 Planned turnarounds between the Hawaiian Islands and the North American mainland may consist only of an operating leg followed by a deadhead leg.

25.04 Planned Rest Periods – Layover

- 25.04.01 On layovers, the minimum planned rest period will be 10 hours or the length of the preceding flight duty period whichever is greater. If the normal driving time to the hotel is greater than 15 minutes this minimum planned rest period will be increased by twice the amount that exceeds 15 minutes. This is to provide an opportunity for 8 hours of uninterrupted sleep plus time for transportation, wind-down, personal hygiene and nutrition.
- 25.04.02 Layovers of 16 hours or greater will be planned at a suitable downtown location, except by prior mutual agreement between the Company and ACPA.

25.05 Planned Rest periods – Home Base

- 25.05.01 The minimum planned rest period will be 12 hours off duty or the length of the preceding flight duty period whichever is greater.

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Table A: Planned Duty Periods for BASIC CREW Inside the North American Zone

<i>Additional Limitations Required for Planning Purposes</i>					
<i>Local Start (Report) Time*</i>	<i>Maximum Planned Duty Period</i>	<i>Maximum Planned Legs</i>			
05:00 to 16:59	14 hours	3	Duty Period must start and stop within home Base time zone	First scheduled arrival after 02:00 <u>start duty</u> time zone terminates duty period.	Previous planned rest period of 12 hours or more.
	13 hours	5	Duty Period finishes LESS than 4 one-hour time zones from the starting flight duty time zone.	First scheduled arrival after 02:00 <u>start duty</u> time zone terminates duty period.	Duty period limits reduced by 1 hour for each planned flight leg over 5.
	12 hours	2	Duty Period finishes 4 or MORE one-hour time zones from the starting flight duty time zone.	First scheduled arrival after 02:00 <u>start duty</u> time zone terminates duty period.	
17:00 to 19:29	12 hours	5	Duty Period finishes LESS than 4 one-hour time zones from the starting flight duty time zone.	First scheduled arrival after 02:00 <u>start duty</u> time zone terminates duty period.	Duty period limits reduced by 1 hour for each planned flight leg over 5.
	12 hours	2	Duty Period finishes 4 or MORE one-hour time zones from the starting flight duty time zone.	First scheduled arrival after 02:00 <u>start duty</u> time zone terminates duty period.	
19:00 to 21:59 Special Case	12 hours	3	Flight(s) must operate from a Pilot's crew Base to the layover point on a direct flight (may include an en-route landing) and return non-stop to his crew Base.		Flight duty period includes an airport layover of 5 hours or more.
	11 hours	5	Duty Period finishes LESS than 4 one-hour time zones from the starting flight duty time zone.	First scheduled arrival after 02:00 <u>start duty</u> time zone terminates duty period.	Duty period limits reduced by 1 hour for each planned flight leg over 5.
19:30 to 21:59	11 hours	2	Duty Period finishes 4 or MORE one-hour time zones from the starting flight duty time zone.	First scheduled arrival after 02:00 <u>start duty</u> time zone terminates duty period.	
	10 hours	2			
	9 hours	3			
22:00 to 04:59	10 hours	2		First scheduled arrival after 06:00 <u>start duty</u> time zone terminates duty period except for crews on duty at 04:00 or later.	Previous planned rest period of 12 hours or more.
	9 hours	3		First scheduled arrival after 06:00 <u>start duty</u> time zone terminates duty period except for crews on duty at 04:00 or later.	Previous planned rest period of 12 hours or more.

* Report times are inclusive times.

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Table B: Planned Flight Duty Periods For Augmented Flights On North American and Caribbean Operations

<i>Local Start (Report) Time</i>	<i>Crew</i>	<i>Maximum Planned Duty Period</i>	<i>Maximum Legs</i>	<i>Minimum Crew Rest Facility Requirements</i>
Anytime	Basic + 1	14 hours	2	1 Flight Relief Seat.*
Anytime	Basic + 1	12 hours	2	A319/A320/A321: 2 adjoining J-class seats.

* For the B787 a J-class seat must be provided for all single and double augmentation flights.

With Augmentation

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Table C: Planned Flight Duty Periods Outside The North American Zone

<i>Local Start (Report) Time*</i>	<i>Maximum Planned Duty Period</i>	<i>Maximum Planned Legs</i>	<i>Maximum Planned Flight Time</i>	<i>Additional Limitations for Planning Purposes</i>
05:00 to 19:29	12 hours	2	9 hours	First scheduled arrival after 02:00 start duty time zone terminates duty period. First scheduled arrival after 02:00 is not applicable for European DH Rule *See note below
19:30 to 21:59	11 hours	2	9 hours	First scheduled arrival after 02:00 start duty time zone terminates duty period. First scheduled arrival after 02:00 is not applicable for European DH Rule *See note below
	10 hours	2	8 ½ hours	
22:00 to 04:59	10 hours	2	8 ½ hours	First scheduled arrival after 06:00 start duty time zone terminates duty period except for crews on duty at 04:00 or

All flights to/from Europe and the UK (plus any other Atlantic crossing) from/to all points in the North American zone west of 100° W will be augmented
 All flights between Europe and India will be augmented
 All PACIFIC Crossings – will be augmented except when approved by JOPEC

* Report Times are inclusive.

<i>Local Start (Report) Time</i>	<i>Crew</i>	<i>Maximum Planned Duty Period</i>	<i>Maximum Planned Legs</i>	<i>Maximum Planned Flight Time</i>	<i>Minimum Crew Rest Facility Requirements</i>	<i>Additional Limitations for Planning Purposes</i>
Anytime	Basic + 1	14 hours	2	No Limit	1 Flight Relief Seat.*	
Anytime	Basic + 1	15 hours	1	No Limit	1 Bunk , and 1 Crew Rest Seat or J-class Seat*	Scheduled arrival prior to 04:00 home Base time.
Anytime	Basic + 2	18 hours	1	No Limit	2 Bunks, and 2 Crew Rest Seats or 2 J-class seats or a combination of both*	Mixed Base crew will be augmented based on the most restrictive home Base time Only 1 R/P allowed as part of the crew complement

The second leg is planned only to allow an augmented crew to complete (or start) a direct flight after (or before) operating an oceanic crossing.

* For the B787 a J -class seat must be provided for all single and double augmentation flights.

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Table D: Planned Deadhead Flight Duty Period Limitations

<p><i>18-Hr Duty Day</i></p>	<p>A Pilot may be scheduled for a flight duty period of up to 18 hours, provided the flight duty period consists solely of a maximum of 2 planned deadhead legs on a direct flight.</p>
<p><i>2-Hr Extension for Deadheading</i></p>	<p>The maximum planned flight duty periods in tables A, B and C may be extended by up to 2 hours (not to exceed 18 hours) for the purposes of deadheading to home Base or to a layover point provided the deadhead flight is scheduled to depart no later than 2h30 after the scheduled arrival of the last flight operated.</p>
<p><i>Deadhead within Europe</i></p>	<p>A Pilot may be planned to deadhead within Europe upon arrival of an Atlantic crossing provided the deadhead movement is scheduled to arrive prior to 12:01 local UK time or 13:01 local European time. The 2-hour maximum planned flight duty period extension for deadheading is also applicable.</p>

Operations

25.06 Operating Rules

- 25.06.01 On the day of operation, any re-assignment in the duty period will be governed by all limitations of the Planned Duty Period Tables. If there is no re-assignment, the flight duty period is governed solely by the value in the "maximum planned duty period" column in tables A through C.
- 25.06.02 In the event of operational delays the maximum flight duty period may be extended for up to 2 hours with the concurrence of the flight crew.
- 25.06.03 During major disruptions to operations, such as those caused by severe weather systems, reduced airport or airspace capacity caused by unforeseen events involving third parties, etc., crews will be expected to remain available to protect the operational interests of the Company.
- 25.06.04 A Pilot operating in excess of a maximum planned duty period may continue at his option even when passing through a crew Base. A Pilot who wishes to be relieved at a crew Base must inform Crew Scheduling of his intentions as early as possible.
- 25.06.05 A Pilot planned under the 2 hour extension of duty period for deadhead pursuant to Table D, may be rescheduled on a later deadhead flight provided the departure time is within 2h30 of the originally scheduled arrival time of the last flight operated.
- 25.06.06 A Pilot who is unable to deadhead or operate to his home Base due to irregular operations must remain available for re-assignment or be placed on crew rest after which he must be available for re-assignment until such time as he is able to deadhead or operate a flight back to his home Base.
- 25.06.07 A Pilot deadheading under the provisions of Art 25 may elect to exceed the maximum planned duty period extension. Should a Pilot not elect to exceed these limits, DPG and TTG credits will apply.
- 25.06.08 It is not mandatory to take a rest period at a layover point if a Pilot is to deadhead home following flight duty. Authority to deadhead home on the first available flight may be requested and the minimum off-duty rest period will commence on arrival at home Base. A Pilot will neither increase nor decrease his Flying Pay and Flight Time credits as indicated on the original pairing by this procedure.

25.07 Airport Stop Over of 5 Hours or More

- 25.07.01 Accommodation will be provided to Pilots with an airport stop over of 5 hours or more (time-in to time-out) including a stop over at home Base. Special consideration will be given to cases where the stop over is less than 5 hours and passes through 03:00 planned duty period start time zone.

25.08 Rest Periods -Operating Rules

- 25.08.01 In the case of operational delays, for flight duty periods finishing in a time zone that has a difference of less than 4 hours from the starting flight duty time zone, home Base crew rest may be reduced to 11h30 or, with the concurrence of the Pilot, may be reduced to 10 hours.
- 25.08.02 In the case of operational delays, for flight duty periods finishing in a time zone that has a difference of less than 4 hours from the starting flight duty time zone, the actual layover rest period may be reduced to 10 hours. With the concurrence of the flight crew this rest period may be further reduced to a minimum of 9h30. This is to provide an opportunity for 8 hours of uninterrupted sleep plus time for wind-down, personal hygiene and nutrition.
- 25.08.03 In the case of operational delays, for flight duty periods finishing in a time zone that has a difference of 4 or more hours from the starting flight duty time zone, the actual rest period must be equal to or greater than the previous flight duty period, but at no time less than as provided for in Art 25.04 or Art 25.05.

- 25.08.04 At home Base, the minimum rest period for Pilots on Reserve will be 14 hours for a Pilot returning from overseas (excluding Bermuda, Jamaica or Cuba).
- 25.08.05 The 14 hour rest period will not apply to a flight duty period when the overseas portion consists solely of a Bermuda, Jamaica or Cuba turnaround. This 14 hour rest period will not be used to extend a scheduled off-duty period.

ARTICLE 26 – BLOCK RULES

26.01 Scheduled Pairings

- 26.01.01 Scheduled Pairings as defined in Art 25 will be reflected in PBS and will not be changed after being awarded, except for charter operations (and supporting flights) and/or schedule revisions.
- 26.01.01.01 Schedule revisions refers to any change to Air Canada's published passenger or freighter schedules, including supporting ferry flights and/or second sections.
- 26.01.02 Scheduled Flight Time for planning purposes is considered to be unrealistic if the maximum flight duty time on a particular route is exceeded on more than 10% of occasions on a semi-annual basis, coinciding with the summer and winter schedule changes. The Company shall take appropriate action to ensure that planning is realistic and the flight or series of flights is completed within the maximum allowable flight duty time.

26.02 Flights Overlapping Calendar Days and Block Period End

- 26.02.01 When a change in calendar date occurs enroute the originating date will be considered the date on which date the flight was made and to which date all time for the flight will be credited.
- 26.02.02 In the event of delayed operations at the end of a Block Period, the Pilot's originally scheduled departure date will be considered the date on which the flight was made and to which all credits for the flight will be applied. This includes a flight(s) which is delayed into a subsequent flight duty period.

26.03 Flight Time Limitations

- 26.03.01 For the purposes of Flight Time limitations, the following will apply:
 - 26.03.01.01 Blockholders will have DSC applied for each day of leave of absence or removal from the payroll.
 - 26.03.01.02 Pilots on Reserve will have DSC applied for each day of Sickness, furlough, leave of absence, optional 24 or optional 48 in conjunction with vacation, or removal from the payroll.

26.04 Designated Block Maximum (DBM)

- 26.04.01 For all Positions the Company will set the DBM. The DBM will be in the range of 70 to 85 hours. The DBM will be designated in units of 1 hour.
- 26.04.02 The DBM will not be decreased once the pairing package is issued. Increases in DBMs are permitted between pairing issuance and the pairing freeze (36 hours prior to PBS closing) to a maximum of 2 hours.
- 26.04.03 The DBM will be applied by Position.
- 26.04.04 The DBM will be limited as follows:
 - 26.04.04.01 For all Positions the total hours for the 12-month period (June 2nd to June 1st) must fall in the range of 900 to 996 hours.
 - 26.04.04.02 For all Positions the difference between the DBM for the same equipment-status at different Bases will not exceed 4 hours in a Block Period and 16 hours for the 12-month period (June 2nd to June 1st). There will be no restrictions by status on the same equipment.

26.05 Allowable Voluntary Overtime (AVO)

- 26.05.01 Pilots will be eligible to fly AVO to a maximum of 55 hours annually (June 2- June 1). However, a Pilot who has reached the overtime threshold of 40 hours is no longer eligible for AVO awarding and will only be eligible for additional overtime assignments pursuant to Step 8 of Art 28.02.05.
- 26.05.02 The AVO total will be reset to zero on June 2nd every year.

- 26.05.03 When the DBM is less than 80 hours, any hours awarded between DBM and 80 hours will not count towards a Pilot's AVO.
- 26.05.04 Credit growth during an AVO pairing is counted as AVO. All other block growth does not count towards a Pilot's AVO.
- 26.05.05 AVO for CPs, FIs and PPs will include any simulator, administration or meeting credits over the greater of the DBM or 80 hours. When the DBM is greater than 80 hours any credits assigned between 80 hours and DBM will not count towards a CP's, FI's or PP's AVO.
- 26.05.06 PBS Start Credits:
- 26.05.06.01 Blockholders: Except for Pay Protection, any flying over DBM awarded to a Pilot once he has reached the AVO threshold will be considered Draft flying and will count as a start credit in PBS in the subsequent Block Period. Draft premium will be in accordance with Art 30.
- 26.05.06.02 Pilot on Reserve: Any flying over DBM+7 awarded to a Pilot on Reserve after he has reached the AVO threshold will be considered as Draft flying and count as a start credit in PBS in the subsequent Block Period. Draft flying above DBM+7 when the AVO threshold has been reached will attract a Draft premium.
- 26.05.06.03 The PBS start credit rule will not apply to reassignment once a pairing has started, until the AVO Maximum has been reached.
- 26.05.06.04 PBS start credit values will be reconciled on a Block Period basis.

26.06 Legalities

- 26.06.01 Notwithstanding the provisions of Art 26.04, the following additional provisions will apply:
 - 26.06.01.01 The term "legal" will mean that the Pilot concerned:
 - 26.06.01.01.01 is qualified for the assignment; and
 - 26.06.01.01.02 has had the necessary off-duty rest period(s); and
 - 26.06.01.01.03 his projection is within the allowable maxima; and
 - 26.06.01.01.04 he will be available to cover his next sequence of flights.
 - 26.06.01.02 Pay Protection, Make- Up, reserve, AVO and Draft flying will be awarded or assigned as per the legal limits in the Award of Open Flying charts below and as per the sequence of awards outlined in Art 28.02.05.
 - 26.06.01.03 Under the AVO provisions, a Pilot will be awarded flying to the following limits:
 - 26.06.01.03.01 38 hours of Stick Time within 7 consecutive days
 - 26.06.01.03.02 118 hours of Stick Time within 30 consecutive days
 - 26.06.01.03.03 40 consecutive hours of time free from duty in any 7 consecutive days.
 - 26.06.01.04 Awarded or assigned flying may increase up to 120 Block Credit hours as a result of irregular operations and/or block growth.
 - 26.06.01.05 A Pilot on Reserve may be awarded or assigned flying provided he has not reached DBM (1 min rule). At Pilot option, he may elect to waive this rule.
 - 26.06.01.06 If after being awarded or assigned under Pay Protection, Make-Up, reserve, AVO or Draft, the Pilot gains additional time, he is still legal for all remaining blocked flying up to 120 Block Credit hours.
 - 26.06.01.07 Legal to Start Legal to Finish: Once a Pilot commences the last pairing of his Block Period, he will complete that pairing regardless of subsequently accrued Flight Time resulting from irregular operations and/or block growth.
 - 26.06.01.08 When a Pilot is planned for vacation or training for a part of, or all of, a Block Period, the credits for the vacation period will be deemed to have already been accrued for the purpose of determining all legalities.

- 26.06.01.09 A Pilot on a transition or an initial course and a Pilot returning from a LOA/GDIP who needs to re-qualify will be assignable in the Block Period he begins IOE flying to a maximum of 85 hours regardless of the DBM. The 85 hour limit is for training purposes only.
- 26.06.01.10 In order to operate a pairing over the Block Period end, a Pilot must be legal in both Block Periods.
- 26.06.01.11 It is recognized that an AVO award during the PBS block closing period may result in a Pilot's subsequent Block being CARs illegal. When this happens, he will drop or alter flying in the current Block Period to make his subsequent Block legal. Should such action not be possible, flying in the subsequent Block Period will be dropped or altered to make the Block legal and the Pilot will be eligible for Pay Protection.
- 26.06.01.12 A Pilot transitioning from Pilot on Reserve to Blockholder and assigned an overlap pairing will not be forced to accept additional flying beyond the end time of the original overlap pairing as awarded, except for irregular operations beyond the control of the Company. The Pilot's status as a Blockholder will commence after completion of the off-duty rest period following the overlap pairing.
- 26.06.01.13 A Pilot transitioning from Blockholder to Pilot on Reserve and operating an overlap pairing will be considered a Blockholder in the new Block Period until completion of the off-duty rest period following the overlap pairing.

Award of Open Flying Limits

		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
		Pay Prot	Make-up	Reserve	Voluntary Overtime	Reserve	Reserve	Draft	Draft
DBM	MBG Block/RSV	The greater of the DBM or the Pilot's projection at the time of the loss of flying.	To a max. of DBM	To a max. of DBM	Pilots < 40 hours Voluntary Overtime	Pilots < 40 hours Voluntary Overtime Pilot option at or above DBM	Pilots = 40 hours Voluntary Overtime Pilot option at or above DBM	Pilots < 40 hours Voluntary Overtime	Pilots = 40 hours Voluntary Overtime
70	60 / 65	70	70	70	118	77	77	118	118
71	60 / 65	71	71	71	118	78	78	118	118
72	63 / 67	72	72	72	118	79	79	118	118
73	63 / 67	73	73	73	118	80	80	118	118
74	63 / 67	74	74	74	118	81	81	118	118
75	64 / 68	75	75	75	118	82	82	118	118
76	65 / 69	76	76	76	118	83	83	118	118
77	66 / 70	77	77	77	118	84	84	118	118
78	66 / 70	78	78	78	118	85	85	118	118
79	67 / 71	79	79	79	118	86	86	118	118
80	68 / 72	80	80	80	118	87	87	118	118
81	69 / 73	81	81	81	118	88	88	118	118
82	70 / 74	82	82	82	118	89	89	118	118
83	71 / 75	83	83	83	118	90	90	118	118
84	72 / 76	84	84	84	118	91	91	118	118
85	73 / 77	85	85	85	118	92	92	118	118

ARTICLE 27 – PBS AWARDS

27.01 Preferential Bidding System (PBS)

- 27.01.01 While it is recognized that the full scope and detail of the PBS Program can not be realistically contained in the collective agreement, the basic tenets upon which the program has been established are embodied within this Article. Both Air Canada and ACPA are committed to developing a standardized approach that will automate all parameters and related aspects of the award.
- 27.01.02 The joint Preferential Bidding System Committee (PBSC) will be responsible for the administration of the Preferential Bidding System.
- 27.01.03 This Article will serve as the basic guidance and reference for the PBSC as the need arises to resolve issues that are within the normal ongoing workings of the PBSC.
- 27.01.04 Any changes to the current PBS System and specification which are not in accordance with this Article will require the mutual agreement of ACPA and the Company.
- 27.01.05 The basic intent of PBS is to provide Pilots with schedules in accordance with their preferences (PBS bids). While preferences are honoured in seniority order, global blocking solution constraints on the construction of blocks will exist.

27.02 Pre-Bid Considerations and Start Credits

- 27.02.01 A Pilot bidding a block selection with PBS start credits due to a Draft assignment over the AVO limit will have such credits automatically applied towards the Block total.
- 27.02.02 Start credit values as outlined in Art 26.05.06 will be reconciled on a Block Period basis.
- 27.02.03 As a result of the complexity of this new system, errors in start credit values may occur from time to time. When an error in start credit values has been identified the Company will make the correction in a timely fashion and the credits will be used towards the Pilot's next PBS award in the following bid period. Errors in start credit values will not constitute a misaward in PBS.

27.03 Vacation Extension Using Positive Bank Credits – PBS

- 27.03.01 For vacation extension using positive bank credits in PBS refer to Art 14.04

27.04 Vacation Extension – Optional 24 or 48

- 27.04.01 Pilots will have the option of using their optional 24 or 48 in conjunction with vacation once for each vacation period. This option must be requested when a Pilot is bidding his block assignment in PBS. Optional 24 or 48's in conjunction with vacation will be handled within PBS as follows:
- 27.04.01.01 For Blockholders: There will be no adjustment to a Pilot's bank or Flight Time limitations associated with the use of an Optional 24 or 48 in conjunction with vacation.
- 27.04.01.02 For Pilots on Reserve: The Optional 24 or 48 will be treated as a Leave Of Absence (LOA) without pay. The Pilot will be Flight Time limited and his Block projection will be reduced by the DSC for each 24 hour period and the MBG will be prorated accordingly. The Pilot on Reserve will have the option of using available day(s) off in his Reserve Block in lieu of a LOA, subject to the resulting Block being legal. In this case the Pilot must contact Crew Scheduling following the release of the PBS awards to have his LOA cancelled.

27.05 Bidding Eligibility

- 27.05.01 To be eligible to bid for a block selection in PBS, a Pilot must hold a valid route and equipment competency for the assignment as of the closing time and date of bids. In addition:
- 27.05.01.01 A Pilot released by the Training Department in time for the PBS awards will be eligible to bid and be awarded a block or reserve selection. Should the Pilot not complete his final checkout, the flights missed in his block selection will be considered as open time and awarded as per Art 28.
 - 27.05.01.02 A Pilot completing transition training may be awarded pairing(s) with IOETC Captains in accordance with Art 27.09.
 - 27.05.01.03 A Pilot who has been cleared by Air Canada Occupational Health Services following long term illness will be eligible to bid.
 - 27.05.01.04 If there are an insufficient number of Pilots at the Base with the necessary route qualification to fill the available block selections, such block selections may be awarded on a seniority preference basis to Pilots who have bid such assignments but do not hold route qualification at the closing time and date of bids, except as otherwise provided in Art 27.05.01.05.
 - 27.05.01.05 When there is a requirement for a route qualification, Pilots who have been unable to obtain the necessary route qualification due to equipment limitations may be awarded a PBS block covering such routes, subject to the ability of the Company to complete the necessary route check-outs.
 - 27.05.01.06 If the Company's aircraft are grounded for reasons beyond the Company's control, a Pilot's qualification will be renewed as soon as practicable and for bidding purposes will be considered as not having lapsed.

27.06 Preparation and Bidding

- 27.06.01 Flight Operations will issue a bid package for the next bid period which will contain the pairings, including a list of pairings to be used for OE and QOE.
- 27.06.01.01 The bid package will contain the following:
 - 27.06.01.01.01 A list of Pilots due/planned for MT/MTV/LOFT/LOE, ART, OE, and IOE.
 - 27.06.01.01.02 The closing times and dates for MT/MTV/LOFT/LOE and ART.
 - 27.06.01.01.03 The closing time and date when Pilots must have their bids entered into PBS for block awards.
 - 27.06.01.01.04 A list of all Pilots by status at the Base eligible to bid, along with their seniority numbers, vacation or training dates.
 - 27.06.02 Bid preferences must be input to the system no later than the closing time and date as indicated on the bid package. The closing time and date will be between the 18th and 23rd of the month but no later than 7 days prior to the end of the current Block Period and no less than 6 days after the pairings are released. In the event of extraordinary circumstances, the closing date may be extended to the 24th of the month not more than twice a year. Extraordinary circumstances include, but are not limited to, PBS system hardware failure and software updates. These block closing dates may be further reduced or extended by mutual agreement between the Company and ACPA.
 - 27.06.03 A Pilot may keep a standing/default bid in the bidding system which will indicate his preferences in the event no bid is recorded.
 - 27.06.04 A Pilot transferring into a Base by the first day of the new Block Period may submit a bid preference by the closing time and date for blocks at his new Base.

- 27.06.05 Pilots who have submitted a recurrent simulator bid may request to be planned on another date or at another time if their Position has been affected by a DBM or pairing revision. Such request must be made no later than 12:00 Eastern Time the day prior to block closing. It is understood that the Company's ability to accommodate such a request is not guaranteed.
- 27.06.06 Blockholders with overlap flying into the following Block Period will have these overlap credits considered as part of their next Block Period's projection. This overlap flying may be subject to change due to pairing and schedule revisions and is not considered a part of the Pilots' new Block until actually awarded. Under this provision, overlap pairing and schedule revisions cannot extend beyond the original calendar day.
- 27.06.07 By mutual agreement of the PBSC any block solutions may be released prior to all solutions.

27.07 Awarding Simulator and ART

- 27.07.01 Simulator assignments will be assigned prior to the pairing freeze. Simulator assignments will be based on system seniority, accepted training practices, and sound economic principles.

27.08 Awarding and Assigning of OEs and QOEs

- 27.08.01 Published pairings will include pairings designated for CA, FO, and/or RP OEs and QOEs.
- 27.08.01.01 For OEs: These pairings will be awarded or assigned in PBS to CA, FO, and/or RPs who are due/planned for an OE. One seat will be occupied by a Pilot with the appropriate check authority.
- 27.08.01.02 For QOEs: These pairings will be chosen to fit at the end of a Pilot's planned IOE. They will be withheld from the PBS bidding process and assigned to IOE candidates. One seat will be occupied by a Pilot with the appropriate check authority.
- 27.08.02 Any withheld flying not used for OEs or QOEs will either be assigned to MPs, CPs (up to DBM) or placed in open time.
- 27.08.03 Every attempt will be made to utilize OE and QOE flying that is efficient and representative of the routes the aircraft operates. The ACPA PBS Committee will be consulted to ensure that these principles are being adhered to.
- 27.08.04 The PBSC will oversee the application of the pre-assignment of OEs.
- 27.08.05 Should it become necessary, through no fault of the Pilot, to reschedule the OE in a subsequent Block Period, the Pilot will not be required to bid for a designated OE pairing. Instead, the Pilot will bid for his flying in accordance with the regular PBS process and the OE will be accomplished either through displacement or open time award.
- 27.08.06 Should it become necessary to assign the Pilot on Reserve to a flight other than his OE, the Pilot will be paid the greater of the scheduled OE flight or the flight he was subsequently assigned.

27.09 Assignment of IOE

- 27.09.01 A CA, FO, or RP in IOE training may be assigned flying on his own Base, exclusively with an IOETC, during the PBS award process. When the Pilot is transferring to a new Base, the Pilot may be assigned at the new Base by mutual agreement.
- 27.09.02 These Pilots-in-training may be assigned flying during a 15 day period exclusively with an IOETC commencing on the third day after the expected completion date of his simulator and airborne (if required) qualification check.

- 27.09.03 This flying will be assigned as part of a first pass in PBS and for a minimum number of legs as per the FOM and as duplicated in the tables below. In the case of a candidate whose IOE training overlaps 2 Block Periods, the candidate will have an IOE PBS bid in both Block Periods.
- 27.09.04 The ACPA PBS Committee will be consulted to ensure that no more flying than required is selected and that the flying selected is suitable.
- 27.09.05 PBS may assign flying in a range of 25 to 35 hours for CA and FO Pilots-in-training, and 12 to 25 hours for RPs -in-training. In no case will the total number of legs be less than the minimum required as described in .10 and .11 below. More hours than the maximum specified in the above range may be assigned to meet the minimum number of legs required.
- 27.09.06 CAs and FOs will be assigned in PBS in the FO status and RPs will be assigned in PBS in the RP status.
- 27.09.07 Pilots who have been assigned flying for IOE purposes may have flights within their Block reassigned to another Pilot who is undergoing IOE or a QOE subject to training requirements.
- 27.09.08 Any withheld flying not used for IOE will either be assigned to MPs, CPs (up to DBM) or placed in open time.
- 27.09.09 When a Pilot-in-training qualifies on type after missing the PBS block award deadline he will be shown on reserve duty and a Reserve Block will be created for him.
- 27.09.10 Initial IOE Flying Requirements
(for new hire Pilots and RPs initially qualifying as CA/FO)

<i>Aircraft</i>	<i>CA</i>		<i>FO</i>		<i>RP</i>	
	<i>Minimum Number of Legs</i>	<i>Range of Hours</i>	<i>Minimum Number of Legs</i>	<i>Range of Hours</i>	<i>Minimum Number of Legs</i>	<i>Range of Hours</i>
B777	6	25-35	4	25-35	2	12-25
A330	6	25-35	4	25-35	2	12-25
B787	8	25-35	4	25-35	2	12-25
B767	8	25-35	4	25-35	2	12-25
A319/320/321	8	25-35	6	25-35	N/A	
EMJ 175/190	10	25-35	8	25-35	N/A	
	More hours than the maximum specified in the above range may be awarded to meet the minimum number of legs required					

27.09.11 Transition IOE Flying Requirements

<i>Aircraft</i>	<i>CA</i>		<i>FO</i>		<i>RP</i>	
	<i>Minimum Number of Legs</i>	<i>Range of Hours</i>	<i>Minimum Number of Legs</i>	<i>Range of Hours</i>	<i>Minimum Number of Legs</i>	<i>Range of Hours</i>
B777	4	25-35	4	25-35	2	12-25
A330	4	25-35	4	25-35	2	12-25
B787	4	25-35	4	25-35	2	12-25
B767	4	25-35	4	25-35	2	12-25
A319/320/321	4	25-35	4	25-35	N/A	
EMJ 175/190	4	25-35	4	25-35	N/A	
	More hours than the maximum specified in the above range may be awarded to meet the minimum number of legs required					

27.09.12 Command IOE Flying Requirements

<i>Aircraft</i>	<i>CA</i>	
	<i>Minimum Number of Legs</i>	<i>Range of Hours</i>
B777	12	50-60
A330	12	50-60
B787	12	50-60
B767	12	50-60
A319/320/321	16	50-60
EMJ 175/190	16	50-60
More hours than the maximum specified in the above range may be awarded to meet the minimum number of legs required		

27.10 Introduction of New Fleet Type

27.10.01 During the introductory period for new fleet types the following procedures will be in effect. For 4 separate Block Periods during the first 6 months following the first revenue flight of the new fleet type, and in order to be able to capture flying that is suitable for IOE, the Company may award flying to qualified IOETCs as a first pass in PBS prior to normal Captain awards. Under this process, any Pilot that is senior to the most junior IOETC will be guaranteed DBM for the applicable Block Period. At any time, the Company may elect to bypass this process and have IOETCs bid as a part of the normal awards. In this instance, the Company may remove a Pilot from his complete Block and assign him to reserve for the Block Period as outlined in Art 33.06. When new aircraft are introduced the Company and ACPA will meet to develop additional guidelines for the application of this clause.

27.11 New Fleet Training and/or Checking Requirements:

27.11.01 In order to avoid displacements and meet new fleet training and/or checking requirements the published pairing package will include pairings designated for special training. These pairings will be awarded or assigned in PBS to CAs, FOs and/or RPs who require the training and one seat may be occupied by a MP, CP or FI. When new fleet qualifications are required the Company and ACPA will meet to develop guidelines for the application of this clause. The ACPA PBS Committee will be consulted to ensure that no more flying than is required is selected and that the flying selected is suitable.

27.12 Awarding Order

27.12.01 Block preferences which have been submitted by the PBS closing time and date will be awarded in the following order:

27.12.01.01 Captain Assignments: For a given Position, in order of seniority and valid route and equipment qualification for the pairing assignment(s) to Pilots holding CA status at the Base and only after the OE pairings have been awarded. Route qualification is not required for reserve assignment.

27.12.01.02 First Officer Assignments: For a given Position, in order of seniority and valid route and equipment qualification for the pairing(s) awarded to Pilots holding FO status at the Base and only after the IOE and OE pairings have been awarded. Route qualification is not required for reserve awards. CAs and FOs completing qualification training will be awarded IOE flying as a first pass in PBS prior to normal awards.

27.12.01.03 **Relief Pilot Assignments:** For a given Position, in order of seniority and valid route and equipment qualification for the pairing assignment(s), to Pilots holding RP status at the Base and only after the IOE and OE pairings have been awarded. Route qualification is not required for reserve assignments. RPs completing qualification training will be awarded IOE flying as a first pass in PBS prior to normal awards.

27.13 Off-Duty Periods – Blockholders

27.13.01 Blockholders will be scheduled in PBS for a minimum of 4 separate 48 hour off-duty periods, or 3 separate 72 hour off-duty periods.

27.14 Primary Constraints

27.14.01 The primary constraints include the following:

27.14.01.01 Maximum Days of Work (EMJ/A320) – When awarding blocks to Pilots on the EMJ and A320, the maximum number of days worked will be 16 days per Block Period. Pilots will have the option to increase their individual cap in increments of 1 day up to a maximum of 20 days.

27.14.01.02 Prorating of Maximum Days of Work (EMJ/A320) – The maximum days worked parameter for Pilots on vacation or training for part of the Block Period will be prorated using the following formula:

$\frac{\text{(No. of days in Block Period – No. of days on vacation or training)}}{\text{No. of days in Block Period}}$	X	16
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27.14.01.02.01 Numbers will be rounded up to the next whole integer. The result will constitute the maximum number of days that the Pilot can be planned to fly in PBS.

27.14.01.03 A Pilot will not be planned for more than one duty period in the same day, unless he indicates in his PBS bid that he desires to be so planned.

27.14.01.04 The blocks will normally be constructed in a range from the DBM plus 1 hour to DBM minus 5 hours.

27.14.01.05 The allowable open time parameter will be set at the lower limit of the blocking window minus 1 minute.

27.14.01.06 The allowable concurrent open pairing parameter will be set at a value of 1.

27.14.01.07 When the DBM is at 80 hours or more on any EMJ/A320 solution the CARs 40 in 7 maximum planned stick time parameter in PBS will be set at 38 hours in 7 days, and the 36 hours in 7 days time free from duty parameter will be set at 40 hours off in 7 days for those solutions.

27.14.01.08 For the purposes Art 27.14.01.01, Art 27.14.01.02 and Art 27.14.01.03, a day in PBS will be defined as between 02:00 and 02:00.

27.14.01.09 Scheduled activities such as vacation, training, absence and overlap will be factored into the global blocking solution constraints.

27.14.01.10 When a Pilot does not submit a bid preference and he does not have a standing/default bid preference on file, PBS will assign the Pilot to reserve.

27.14.01.11 Notwithstanding Art 27.14.01.09, if there are insufficient bids received to cover the flying, Pilots will be assigned Blocks in reverse order of seniority.

27.14.01.12 Until such time as the optimization process is consistently achieving solutions within the primary blocking constraints and available time constraints, the Company will upgrade its servers every 2 to 3 years.

27.15 PBS Optimizer Version ‘C’

27.15.01 Version ‘C’ of the PBS optimizer will be used, except as outlined in Article 27.16.

- 27.15.02 Version 'C' of the PBS optimizer incorporates modifications to the optimization technique. There remains a possibility that a Pilot may be assigned a Block against his bid when the Pilot has bid for reserve using a conditional reserve bid. This is referred to as Block Out of Seniority (BOS).
- 27.15.03 Reasonable efforts will be used to reduce and/or eliminate BOS.
- 27.15.04 In order for a Block to be designated as a BOS, it must meet all the following criteria:
- 27.15.04.01 The BOS Pilot must have bid for conditional reserve.
- 27.15.04.02 The number of Pilots on the PBS run assigned to Reserve Blocks, who are junior to the BOS Pilot, must satisfy the conditional reserve request of the BOS Pilot.
- 27.15.04.03 The BOS Pilot must contact Crew Scheduling (PBS Administrator) within 48 hours prior to the beginning of the next Block Period, requesting designation as BOS and reassignment to a Reserve Block.
- 27.15.05 BOS Blockholders, who request reassignment to a Reserve Block, will be reassigned to reserve in order of seniority and in accordance with the following limitations:
- 27.15.05.01 A maximum of 4 BOS conversions to reserve will be allowed per Position for any block run.
- 27.15.05.02 The maximum number of BOS conversions to reserve for any block run may be further limited by the following formula which is based on quantifying true reserve availability:
- 27.15.05.02.01 True Reserves = [Total Reserve Flying Hours Available (TRFHA) **MINUS** Hours of Known Open Time (HKOT) After Award] **DIVIDED BY** DBM (Total Reserve Flying Hours Available is calculated as flying AVLT, i.e., DBM less all other activities.)
- 27.15.05.02.02 BOS Allowance = True Reserves **MULTIPLIED BY** 25%. (EG: 942 TRFHA – 126 HKOT = 816 ÷ 78 = 10.46 True Reserves x 25% = 2.63 BOS Allowed as BOS Allowance will be rounded to the nearest integer value)
- 27.15.05.03 Notwithstanding the above, a minimum of 1 BOS conversion to reserve will be allowed for any block run.
- 27.15.06 BOS Blockholders, who request reassignment to a Reserve Block, will be reassigned to reserve in accordance with the following rules:
- 27.15.06.01 A Reserve Block may be assigned, by mutual agreement of the Pilot and crew scheduling, based on a consideration of normal reserve patterns, open flying coverage requirements, the Pilot's seniority entitlement and requested reserve days.
- 27.15.06.02 If the Pilot and crew scheduling are unable to reach mutual agreement on reserve assignment days, the Pilot will be assigned reserve as per a PBS rerun requesting XXX AVOID ALL for any such unresolved BOS Pilots.
- 27.15.06.03 When the first assigned Reserve Out of Seniority (ROS) occurs above a seniority level of 15% from the bottom of the eligible bidder list associated with a blocking solution, a rerun will be completed, where time permits, using a blocking window of DBM minus 8 to DBM plus 2. Based on sound economic principles and adequate reserve coverage, the PBSC members will determine which solution will be implemented. Failing agreement, the original run will be implemented. ROS or BOS resulting from the application of agreed to PBS specifications will not be considered as a mis-award.
- 27.15.06.04 By mutual agreement of the Pilot and Crew Scheduling, a Pilot forced onto a BOS may be permitted to drop pairings with no credit and avail himself of Make-Up or Pre-selection.

27.16 PBSC Authority to Modify Blocking Parameters

- 27.16.01 The nature of the pairings and size of the global solution set can at times be expected to pose difficult blocking situations that might produce either undesirable results or, in some rare cases, unblockable situations. When such is the case, the PBSC has the authority to make decisions, as necessary, to generate a mutually acceptable resolution to such problem(s). Under this provision, the steps outlined below will be used until such time as a solution is achieved. The PBSC may also agree to either skip a step, to use a combination of increases and decreases to blocking windows and/or increases and decreases to the allowable open time/concurrency parameter, or other options not specifically outlined herein to find an optimal solution. The objective is to find a solution that is closest to the primary constraints. Any blocked flying over DBM will be treated as block growth for the purposes of legality, bank and Pay Protection.
- 27.16.01.01 On the EMJ/A320, should the system return with an “unfeasible” solution using the primary constraints, then the maximum days worked parameter will be set at 17 days utilizing Optimizer C and Art 27.16.01.05 will not be applicable.
- 27.16.01.02 On the EMJ, unless otherwise agreed to by the PBSC, prior to invoking Steps 1 through 5, and in order to assist the solving process with the 16 days worked parameter, a separate solver (Optimizer D) incorporating modifications to the optimization technique will be used. Such modifications will involve changes to the global blocking constraints, and/or the insertion of new blocking parameters that would allow for a solution within the maximum 16 days worked parameter. The PBSC will oversee the changes and implementation of the new solver.
- 27.16.01.03 On the A320, if agreed to by the PBSC, prior to invoking Steps 1 through 5, and in order to assist the solving process with the 16 days worked parameter, Optimizer D will be used. If it is decided not to use Optimizer D, but to continue utilizing Steps 1 through 5, after completing Step 2, the 17 day parameter will be introduced prior to using Step 3.
- 27.16.01.04 For all equipment the primary constraints will be modified as follows:
- 27.16.01.04.01 Step 1: Open the blocking window to DBM plus 1 to DBM minus 6.
- 27.16.01.04.02 Step 2: Open the blocking window to DBM plus 2 to DBM minus 6. Under this step the reserve MBG will be increased by 1 hour.
- 27.16.01.04.03 Step 3: Increase the open time parameter in increments of 25 hours to a maximum of 250 hours. Under this step the reserve MBG will be increased by 1 hour. The PBSC may also use a combination of Steps 1, 2, and 3.
- 27.16.01.04.04 Step 4: Increase the open time parameter in increments of 25 hours to a maximum of 250 hours and increase the allowable concurrent pairing value to 2. The PBSC may also use a combination of Steps 1, 2, 3 and 4. Under this step:
- 27.16.01.04.04.01 A concurrency calendar will be activated in which the Company may designate up to 40% of the days in the Block Period with an allowable concurrent pairing value of 1.
- 27.16.01.04.04.02 When the concurrency calendar is in effect there will be limits on the planning of reserve days off utilizing the reserve calendar. Not more than 50% of the estimated number of reserves (based on the dry run values) plus the selected concurrent pairing value for the solution may be planned on any given day.
- 27.16.01.04.05 Step 5: Repeat step 4 and increase concurrent pairing value by 1. Under this step, the concurrency calendar may contain up to 40% of the days in the Block Period with an allowable concurrent pairing value of 1 and limitations on the planning of reserves utilizing the reserve calendar as outlined in step 4 are in effect. The PBSC may also use a combination of Steps 1, 2, 3, 4 and 5.

- 27.16.01.04.06 If unable to obtain a solution using the primary constraints the maximum allowable days worked parameter on the EMJ solutions may be increased to 17 days at any time during the process outlined in Art 27.16 with the PBSC approval, or, at Company option, after Optimizer D has been run using the primary constraints for a minimum 24 hour period without solving.
- 27.16.01.05 For the EMJ/A320, when the maximum allowable days worked parameter is set at 17 days pilots who are assigned in PBS to work 17 days will be given a choice of dropping a single day pairing (coverage permitting) without credit or being paid a premium calculated as 50% of 4:25 hours DN (cash cleared), except as outlined in Art 27.16.01.01 and Art 27.16.01.06.
- 27.16.01.06 The premium outlined in Article 27.16.01.05 will not apply to those pilots who have elected to fly more than 16 days in PBS, nor will it apply to those pilots who were assigned a 17 day block and who subsequently drop flying, book off sick, are displaced, or otherwise removed from at least one of their 17 days of PBS assigned work in the applicable block month.

27.17 PBS Mis-Awards

- 27.17.01 Reasonable efforts to avoid blocking irregularities may still not prevent the occasional mis-award from occurring. Because of the impracticality of re-awarding blocks after publication, the following resolution process will be used to compensate a Pilot for a mis-award:
- 27.17.01.01 Once a mis-award has been confirmed by the PBSC, a blocking rerun will establish the proper block award(s). The originally awarded Block(s) will be flown.
- 27.17.01.02 All block re-runs will be completed using the same parameters as the original block run.
- 27.17.01.03 When a re-run cannot be completed using the original blocking parameters the parameters will be adjusted by mutual agreement of the PBSC to allow for completion of the re-run.
- 27.17.01.04 Pilots whose scores (hierarchy of JBR/priority/point score) and block values are increased in the re-run will receive a pay credit for the difference between their awarded Block and re-run Block, net of any block growth or additional flying performed during the Block Period.
- 27.17.01.05 Time-off requests that were not honoured in the original Block but are honoured in the corrected re-run Block, will be allowed as a "drop – no credit", at Pilot option, where reserve coverage exists. This is to be considered on a "net" basis. (If a generic request for Saturday off results in 2 Saturdays worked on original Block and 2 different Saturdays worked on corrected rerun, no entitlement to drop would exist.) A Pilot who drops no credit under this Article will be permitted to make use of Pre-selection.
- 27.17.01.06 Any Pilot whose drop entitlement, as described in Art 27.17.01.05 above, is refused as a result of coverage will have the flying performed on such day(s) treated and paid as a Draft and the Draft premium will apply.
- 27.17.01.07 A Pilot mis-awarded reserve in lieu of a Block, as determined by the PBSC, will be paid for the greater of his flying on reserve or the value of the Block that should have been awarded. In the event that a determination of the correct Block cannot be made due to discovery of programming errors, the Pilot will receive the greater of his flying on reserve or the DBM DN. Where practical, a Pilot, at his option, may have any unused reserve days off rescheduled to days off that he would otherwise have been awarded, as identified by his corrected Block.
- 27.17.01.08 The following guidelines will be used to determine when a full re-run (all Pilots in the solution) will be completed when:
- 27.17.01.08.01 A Pilot is awarded a Block but is not eligible to bid on the equipment/Base/status.

- 27.17.01.08.02 A Pilot is not awarded a Block but is eligible to bid on the equipment/Base/status.
- 27.17.01.08.03 Clerical errors are entered into the blocking software, such as, but not limited to, incorrect blocking parameters or faulty data transferred from Netline such as bank values, vacation days, or overlap credits.
- 27.17.01.09 A full re-run will not normally be completed when a programming error or trouble report has been identified. In these situations it is not possible to re-run the blocks and the following provisions will apply:
- 27.17.01.09.01 For Blockholders: The affected Pilot may have his Block manually altered to correct the mis-award. Any Flying Pay adjustment or time off requirements under the provisions of this Article will be by mutual agreement of the PBSC.
- 27.17.01.09.02 For reserves: Due to the nature of Reserve Blocks and the difficulties of determining the correct award, a re-run is usually not completed. The affected Pilot will be awarded the same Reserve Block as the first Pilot on Reserve junior to him, or, as mutually agreed between the Company and the Pilot.
- 27.17.02 For a full re-run to be considered ACPA must file a claim no later than the release date of the following Block Period's pairings, usually the 15th of the month. Individual claims and errors will continue to be handled as per Art 7.13.

27.18 PBSC Displacements

- 27.18.01 Company paid flight displacements will be arranged for 4 ACPA representatives, (to a maximum of 12 days total), in order to participate in the block closing process until such time as the process is routinely monitored as "performing reliably with accuracy". The Company will re-allocate such flying at their discretion to Pilots on Reserve, regardless of seniority, to MPs, CPs and FIs for the purposes of training or checking, Pilots in training, Designated ACPA Representative (as defined in Art 10.09.01) or via the open time awarding process in Art 28.

27.19 Miscellaneous

- 27.19.01 The pairings will be loaded onto the PBS WebBidder and the ACAeronet applications prior to being released to any third party vendor(s).
- 27.19.02 At the request of any member of the PBSC, a quarterly software vendor meeting will be arranged to provide an opportunity to review technical issues related to optimizer performance. Further meetings may be scheduled to take place with the mutual agreement of the PBSC. The ACPA PBS members will be invited to all technical vendor meetings, including user conferences .
- 27.19.03 A modification and improvement fund of \$35,000 per calendar year will be budgeted and under control of the PBSC to provide for ongoing enhancements to the PBS System. These funds will be available for use on mutually agreed items. Any unused portion of the annual \$35,000 fund may be carried forward to a maximum value of \$100,000.
- 27.19.04 The PBS architecture will offer an option for Pilots, on a voluntary basis, to bid their blocks from home. Any personal computer equipment, third party agreements and/or communication expense required to accommodate "home bidding" will be the sole responsibility of the Pilot.

ARTICLE 28 – OPEN TIME AWARDS

28.01 Open Time

- 28.01.01 The term open time will mean any flight(s), flight pairing or sequence of flight pairings made up of the following:
- 28.01.01.01 Any flight(s) or pairing(s) not included in a block selection, excluding any test, publicity, courtesy, IFR, training or checking flights to be flown by MPs, CPs, Fls or PPs as provided in Art 11 of the Agreement; and
- 28.01.01.02 Any flying that a Blockholder is not available to operate for any reason, excluding:
- 28.01.01.02.01 Approved flight switches between Blockholders; and
- 28.01.01.02.02 Flights from which Pilots have been released for ACPA business and which have been re-allocated in accordance with the provisions of Art 10.09.09; and
- 28.01.01.02.03 Flights in a block selection which are required for training and from which the Pilot has been removed for a complete Block Period and assigned to reserve under the provisions of Art 33.06; and
- 28.01.01.02.04 Flying available due to Bereavement / Compassionate Leave or Jury Duty under the provisions of Art 28.06.
- 28.01.02 No Pilot will be required to operate an engine-out ferry flight.
- 28.01.03 Open Time Report: The Company will provide to the Pilot group, at all times, an up-to-date report showing the known open time. The reports will indicate date of operation, type of flight(s), equipment, route, ETD outbound and ETA inbound, layover time where applicable, and projected flying time.
- 28.01.04 Combining Open Time: A combination of open time which can be flown in one or more duty periods may be awarded as a complete sequence provided a more senior Blockholder on Make-Up does not wish to operate part of the combined sequence.
- 28.01.05 Splitting of Open time – Procedures
- 28.01.05.01 A sequence of open time will not be split except when a Blockholder has lost flying time from his Block because of consolidation, cancellation, substitution, misconnection, operational reasons, over projection or CARs limitations and he avails himself of Make-Up and / or Pre-selection flying.
- 28.01.05.02 A sequence will not be split if an equal or greater amount of the flying time to that which was lost is available to the Blockholder. This restriction applies to flight pairings open at the time of awarding or, in the case of Pre-selection, flight pairings available during the Block Period.
- 28.01.05.03 A sequence may only be split at the Pilots' home Base. When a sequence is split, it will be done in such a manner that the increase in DPG or TTG is kept to a minimum, provided that the availability of recovery flying time to the Blockholder is not affected.
- 28.01.05.04 A Pilot who is eligible to split a sequence should ensure that his name is on the Make-Up list for the full sequence with comments indicating his desire to split the sequence. When a Blockholder has regained flying time equal to or greater than the original amount of the lost flying he will no longer be permitted to split a sequence.

28.02 Awarding Open Time

- 28.02.01 The open time awarding process commences at 10:00 local time each day for flying scheduled to originate between 05:00 local time the next day and 05:00 the following day. Pilots must enter their names on the Make-Up, AVO, Draft or reserve availability list prior to 09:30 local time each day. Known open flying may be re-arranged to produce the most efficient pairings consistent with the limitations of Art 25 prior to being awarded under Pay Protection, or to Make-Up, AVO, Draft or reserve, except for the provisions of Art 28.01.05. However, Blockholders on Make-Up may be awarded a portion of a sequence if the flying involved does not produce additional guarantees than what would normally be accrued.
- 28.02.02 Where it is necessary to award (assign) flying in advance of the normal award as per Art 28.06, every reasonable effort will be made to contact Pilots to offer this flying.
- 28.02.02.01 The normal procedures as outlined in Art 28.02.03 and Art 28.02.04 will be followed except that it may be necessary to allow more than 15 minutes between calls in some cases (i.e. Pilot away flying, in simulator, etc.).
- 28.02.02.02 Where possible, this flying will be shown in the open time at least 48 hours prior to the actual award.
- 28.02.03 Make-Up List: A Pilot desiring Make-Up will enter his name on the Make-Up list (via CrewLink) with specific instructions or if unable to access the system by contacting Crew Scheduling directly (including the use of Datalink). If a Pilot has listed himself on the Make-Up list with no specific instructions he will be awarded open flying with the highest credit that does not project beyond DBM.
- 28.02.04 Open Flying Award Procedure: Calls to Pilots on Make-Up, AVO and reserve will commence at 10:00. Crew scheduling will call each Pilot at least twice with a 15-minute interval between calls before awarding open flying to another Pilot.
- 28.02.04.01 To protect himself a Pilot not expected to be available at the telephone number on file with Crew Scheduling during the award period should leave a telephone number where he can be reached or alternatively leave specific instructions with Crew Scheduling for open flying which he will accept and advise a time (no later than 21:00 of the awarding date) when he will contact Crew Scheduling for confirmation of the flight(s) awarded. A Pilot will be expected to fly his awarded flight(s).
- 28.02.04.02 A Pilot on Make-Up, AVO or on reserve who has refused all of the open flying available at the time of awards will have no further claim on that flying. He will be eligible to accept additional open flying that becomes available in accordance with Art 28.03.
- 28.02.04.03 A Pilot will not be allowed to relinquish awarded open flying.
- 28.02.05 Open Flying Award Sequence: Open flying will be awarded in the following order:
- 28.02.05.01 Captain (CA) Flying
- 28.02.05.01.01 Step 1: In order of Base seniority to Blockholders under Pay Protection. Pilots in this step may be awarded flying to the greater of DBM or the Pilot's Block projection prior to the loss of any flying. The DBM for Fls/PPs is 80 hours.
- 28.02.05.01.02 Step 2: In order of Base seniority to Blockholders on Make-Up to a maximum of DBM. The DBM for Fls/PPs is 80 hours.
- 28.02.05.01.03 Step 3: In order of Base seniority to Pilots on Reserve, system seniority to MPs and system seniority to CPs conducting an OE or IOE. Pilots in this step may be awarded flying to a maximum of DBM. The DBM for CPs/Fls/PPs is 80 hours.
- 28.02.05.01.04 Step 4: In order of Base seniority to CAs (excluding MPs) on the AVO list who have not reached the AVO threshold. Pilots in this step may be awarded flying to a maximum of 118 Block Credit hours.

- 28.02.05.01.05 Step 5: In order of Base seniority to Pilots on Reserve who have not reached the AVO threshold and may be awarded flying to a maximum of DBM+7. The DBM for FIs/PPs is 80 hours.
- 28.02.05.01.06 Step 6: In order of Base seniority to Pilots on Reserve who have reached the AVO threshold and may be awarded flying to a maximum of DBM+7. The DBM for FIs/PPs is 80 hours. Flying awarded above DBM will be used as a start credit in the subsequent Block Period.
- 28.02.05.01.07 Step 7: Drafting of CAs (excluding MPs) who have not reached the AVO threshold.
- 28.02.05.01.08 Step 8: Drafting of CAs (excluding MPs) who have reached the AVO threshold. Flying awarded above DBM will be used as a start credit in the subsequent Block Period. The DBM for CPs/FIs/PPs is 80 hours.
- 28.02.05.02 First Officer (FO) Flying
- 28.02.05.02.01 Step 1: In order of Base seniority to Blockholders under Pay Protection. Pilots in this step may be awarded flying to the greater of DBM or the Pilot's Block projection prior to the loss of any flying. The DBM for FIs/PPs is 80 hours. FOs on Pay Protection may be re-assigned to a FO, augment or a Relief Pilot pairing provided there are no Relief Pilots available on Make-Up. While not on Pay Protection, awarding of flying in this step may include CAs and FOs returning to the line from Sickness or GDIP and completing qualifying flights when accompanied by a MP, CP, FI, PP or an IOETC. CAs and FOs completing qualifying flights are legal to be awarded to a maximum of 85 hours for the purposes of completing IOE and OE in the Block Period they commenced IOE.
- 28.02.05.02.02 Step 2: In order of Base seniority to Blockholders on Make-Up to a maximum of DBM. The DBM for FIs/PPs is 80 hours.
- 28.02.05.02.03 Step 3: In order of Base seniority to Pilots on Reserve and on system seniority to MPs. Pilots in this step may be awarded flying to a maximum of DBM. The DBM for FIs/PPs is 80 hours.
- 28.02.05.02.04 Step 4: In order of Base seniority to FOs (excluding MPs) on the AVO list who have not reached the AVO threshold. Pilots in this step may be awarded flying to a maximum of 118 Block Credit hours.
- 28.02.05.02.05 Step 5: In order of Base seniority to Pilots on Reserve who have not reached the AVO threshold and may be awarded flying to a maximum of DBM+7. The DBM for FIs/PPs is 80 hours.
- 28.02.05.02.06 Step 6: In order of Base seniority to Pilots on Reserve who have reached the AVO threshold and may be awarded flying to a maximum of DBM+7. The DBM for FIs/PPs is 80 hours. Flying awarded above DBM will be used as a start credit in the subsequent Block Period.
- 28.02.05.02.07 Step 7: Drafting of FOs (excluding MPs) who have not reached the AVO threshold. At Company discretion, in order of Base seniority an unassigned right seat qualified CA on Reserve may be assigned prior to the application of this clause.
- 28.02.05.02.08 Step 8: Drafting of FOs (excluding MPs) who have reached the AVO threshold. Flying awarded above DBM will be used as a start credit in the subsequent Block Period. DBM for FIs/PPs is 80 hours.

28.02.05.03 Relief Pilot (RP) Flying

- 28.02.05.03.01 Step 1: In order of Base seniority to Blockholders under Pay Protection. Pilots in this step may be awarded flying to the greater of DBM or the Pilot's Block projection prior to the loss of any flying. The DBM for Fls/PPs is 80 hours. While not on Pay Protection, awarding of flying in this step may include RPs returning to the line from Sickness or GDIP and completing qualifying flights when accompanied by a MP, CP, FI, PP or an IOETC. RPs completing qualifying flights are legal to be awarded to a maximum of 85 hours for the purposes of completing IOE and OE in the Block Period they commenced IOE.
- 28.02.05.03.02 Step 2: In order of Base seniority to Blockholders on Make-Up to a maximum of DBM. The DBM for Fls/PPs is 80 hours.
- 28.02.05.03.03 Step 3: In order of Base seniority to Pilots on Reserve and on system seniority to MPs. Pilots in this step may be awarded flying to a maximum of DBM. The DBM for Fls/PPs is 80 hours.
- 28.02.05.03.04 Step 4: In order of Base seniority to RPs (excluding MPs) on the AVO list who have not reached the AVO threshold. Pilots in this step may be awarded flying to a maximum of 118 Block Credit hours.
- 28.02.05.03.05 Step 5: In order of Base seniority to Pilots on Reserve who have not reached the AVO threshold and may be awarded flying to a maximum of DBM+7. The DBM for Fls/PPs is 80 hours.
- 28.02.05.03.06 Step 6: In order of Base seniority to Pilots on Reserve who have reached the AVO threshold and may be awarded flying to a maximum of DBM+7. The DBM for Fls/PPs is 80 hours. Flying awarded above DBM will be used as a start credit in the subsequent Block Period.
- 28.02.05.03.07 Step 7: Drafting of RPs (excluding MPs) who have not reached the AVO threshold. At Company discretion, in order of Base seniority an unassigned CA or FO on Reserve may be assigned prior to the application of this clause.
- 28.02.05.03.08 Step 8: Drafting of RPs (excluding MPs) who have reached the AVO threshold. Flying awarded above DBM will be used as a start credit in the subsequent Block Period. The DBM for Fls/PPs is 80 hours.

28.03 Open Flying After Normal Award Time

- 28.03.01 For move-up, one-way assignment, extension of operations and unscheduled re-routing, see Art 30.
- 28.03.02 Additional flying not in open time at the closing time of 10:00 local time will be covered in the following order:
- 28.03.02.01 A one-way flight may be assigned to a Pilot who is legal and scheduled to deadhead to the same destination. The open flight must be scheduled to depart within 3 hours of the Pilot's planned deadhead flight;
- 28.03.02.02 Assigned to Blockholders under Pay Protection;
- 28.03.02.03 In order of Base seniority, offered to Blockholders who have been awarded open flying with which the new flying could be combined and for which they are legal;
- 28.03.02.04 In order of Base seniority, offered to Blockholders on Make-Up who have not already been awarded open flying;
- 28.03.02.05 Assigned to reserves who have been awarded or are currently operating a pairing with which the new flying could be combined. Under this step, the additional flying for reserves will be restricted to within the same duty period unless no other Pilot on Reserve is available;
- 28.03.02.06 Assigned or awarded to Pilots pursuant to Art 30.07 and Art 28.02.05.

28.03.03 When open time becomes available as a result of cancellation, consolidation, substitution, or misconnection affecting a portion of a Blockholder's pairing and the Blockholder will be chasing the balance of the pairing, the Pilot awarded the portion of the pairing which becomes open may be required to remain in Position to protect the balance of the pairing until the Blockholder arrives.

28.04 15 Minute Connection Rule

28.04.01 As soon as a Pilot is aware that he will arrive on the flight deck with less than 15 minutes to planned departure, the Pilot will inform Crew Scheduling to allow the assignment of a replacement Pilot in order to avoid or minimize disruptions to the operation.

28.05 Short Call

28.05.01 In order to protect the Company operation and Pilot seniority, if there is insufficient time (normally less than 3h15) for Crew Scheduling to go through the normal award process, Pilot coverage for this open flying will be provided by available Pilots on Reserve, MPs or CPs. The Company will alert the most junior Pilot on Reserve to prepare for immediate departure to the airport. The Pilot will advise the preparation time required prior to his departure for the airport. During this time, calls will be made to senior Pilots who have indicated "short call" on the Make-Up, AVO and reserve availability list. The junior Pilot on Reserve will operate the flight(s) subject to a senior Pilot accepting the assignment.

28.05.02 Pilots on the Short Call list are expected to accept Short Call flying when offered.

28.06 Miscellaneous Awards

28.06.01 Open Flying due to Bereavement Leave, Leave for Compassionate Care, Jury Duty or other Releases will be assigned/awarded as follows:

28.06.01.01 Where the dropped flying is with credit, the Company may assign/award the flying at their discretion including to the Pilot on Reserve with the lowest projected Block Credit;

28.06.01.02 Where the dropped flying is without credit (drop no credit), the flying will be awarded as per Art 28.02.05 or Art 28.03 as appropriate.

28.07 Procedure for Completing Simulator Crew Complement

28.07.01 The simulator planner will maintain a list of volunteers that are willing to complete a simulator crew complement. Volunteers from the Base where the simulator is located will be called prior to volunteers from other Bases.

28.07.02 In order to maintain training continuity, simulator crew complements will be covered by the most senior volunteer in the following order;

28.07.02.01 available for all simulator sessions;

28.07.02.02 available to cover most of the simulator sessions;

28.07.02.03 in order of seniority.

28.07.03 Volunteers from other Bases will be entitled to PY1/J05 priority passes and pay as outlined in Art 13.14.05, and applicable hotel accommodation and expenses. Travel credits will not apply.

28.07.04 If there are no volunteers available, the Company will award the simulator session in the following order:

28.07.04.01 a MP or CP; then

28.07.04.02 a Contract Instructor; then

28.07.04.03 awarded as Open Time in accordance with Art 28

28.07.05 Crew complement may be covered with a contract instructor, for training purposes only, subject to the concurrence of the Pilot being trained.

- 28.07.06 No Pilot on Reserve may be forced to cover a crew complement more than once per Block Period provided a more senior Pilot on Reserve is available and who has not been forced out to cover a crew complement in the same Block Period.
- 28.07.07 All simulator assignments will be subject to the approval of the Chief Pilot.

ARTICLE 29 – RESERVE

29.01 Planned Off-Duty Periods

29.01.01 Reserve Blocks will consist of:

29.01.01.01 For A320 and EMJ:

29.01.01.01.01 1x 96 hour off-duty period consisting of 2 Guaranteed days followed by 2 Optional days (GGOO); and

29.01.01.01.02 2x 72 hour off-duty periods consisting of 1 Optional day followed by 2 Guaranteed days (OGG); and

29.01.01.01.03 1x 54 hour off-duty period consisting of 2 Tentative days off immediately preceded by a 6 hour Optional off duty period (6 hour O + TT).

29.01.01.02 For A330, B767, B777 and B787 the above pattern will apply except for the block months of March, July, August, and December. For these 4 block months the following applies:

29.01.01.02.01 1x 96 hour off-duty period consisting of 2 Guaranteed days and 2 Optional days (GGOO); and

29.01.01.02.02 1x 96 hour off-duty period consisting of 2 Tentative days and 2 Optional days (TTOO); and

29.01.01.02.03 1x 54 hour off-duty period consisting of 2 Tentative days off immediately preceded by a 6 hour Optional off duty period (6 hour O + TT).

29.01.01.02.04 1x 48 hour off-duty period consisting of 2 Guaranteed days (GG).

29.01.02 When a Pilot on Reserve has a partial Reserve Block his allotment of off duty days will be calculated using the following formula (values of .5 or greater will be rounded up):

$$\frac{12 \text{ required days off in the Block Period} \times \text{Days in the reserve period}}{\text{Total days in the Block Period}}$$

29.01.03 When an A320 or EMJ Pilot on Reserve has a partial Reserve Block his allotment of Guaranteed days will be calculated using the following formula:

29.01.03.01 1 to 14 days on reserve = 1 X 2G days

29.01.03.02 15 to 20 days on reserve = 2 X 2G days

29.01.03.03 21 or more days on reserve = 3 X 2G days

29.01.04 For all other aircraft the above pattern will apply except for the Block Periods of March, July, August, and December. For these 4 Block Periods the following formula applies:

29.01.04.01 1 to 14 days on reserve = 0 X G days

29.01.04.02 15 to 20 days on reserve = 1 X 2G days

29.01.04.03 21 or more on reserve = 2 X 2G days

29.01.05 Once assigned, the Optional day off before Guaranteed days off will not be changed.

29.01.06 Optional day(s) off after Guaranteed or Tentative days off may be changed with the approval of the Chief Pilot. An exemption may be made from the 5 days as noted in Art 29.01.08. This only applies to days originally scheduled as Optional and not to those rescheduled by the Pilot as per Art 29.01.07.

29.01.07 A Pilot will have the choice of designating which 2 day off-duty period in a 96 hour off-duty period will be Optional as defined in Art 2. This choice must be made by 09:30 local time of the day prior to the start of the 96 hour off-duty period, otherwise the second 2 days will be designated as Optional. Once designated, the Optional days may not be moved or re-designated.

- 29.01.08 No Pilot will be scheduled for more than 5 consecutive days of Reserve Duty unless the Pilot has indicated on his PBS bid that he is declining the 5-day rule.
- 29.01.09 The off-duty periods specified in the reserve selection will not be subject to change except as provided elsewhere in the Collective Agreement.

Example 1: If a Pilot on Reserve commences reserve duty at 05:00, he will be expected to report for duty at 07:00 for a 08:15 departure. If a Pilot on Reserve is scheduled to end his duty period at 00:00, except a Guaranteed day off period, he will be required to report at 23:59 for a 01:14 departure if no other legal Pilot on Reserve is available, or, at Pilot option, he may avail himself of the provisions of Art 29.03.03

Example 2: A Pilot on reserve duty period between 05:00 and 21:00. He will be expected to receive a call at 05:00 for a 07:00 report time and be continuously available until 20:59 for a 22:59 report time. The uninterrupted rest period will be between 21:00 and 05:00.

29.02 Replacement of Off-Duty Periods

- 29.02.01 A Pilot on Reserve who is forced to fly into his days off immediately prior to his vacation will, at his option, have that portion of his days off replaced upon completion of vacation. In cases where a Pilot on Reserve is awarded a block selection in a subsequent Block Period he will be entitled to Pay Protection for any flying in his Block that he is unable to operate as a result of replaced days off.
- 29.02.02 A Pilot on Reserve who is awarded a block selection in a subsequent Block Period and is forced to fly into his off-duty days, including a Pilot involuntary drafted on an Optional day(s) in the current Block Period, will have these days off replaced immediately following the cycle and will be entitled to Pay Protection for any flying in the subsequent Block Period that he is unable to operate as a result of replaced days off.
- 29.02.03 A Pilot on Reserve who elects to fly into or on an Optional 24 hour off-duty period will not have such off-duty period replaced. If assigned flying into the off-duty period, the period will be replaced at Pilot option and the rest period as defined in Art 29.04.06 will not be applicable.
- 29.02.04 A Pilot drafted from the Draft list during any Optional day(s) will not have the lost Optional day(s) replaced. In the event of an involuntary Draft, the Optional day(s) will be replaced in conjunction with a remaining off-duty period, if possible.

29.03 Operating into/on Off-Duty Periods

- 29.03.01 Except for the Guaranteed off duty periods, a Pilot may be scheduled to fly into all other off-duty periods if there is no other Pilot on Reserve available. A Pilot may elect to fly into any off-duty period.
- 29.03.02 If there is no Pilot on Reserve whose off-duty period will not be interfered with and none of the Pilots on Reserve elect to operate the flight or sequence of flights the most junior Pilot on Reserve will be assigned. The sequence will be terminated on the first return to home Base unless he wishes to complete the pairing. However, if relief cannot be provided from other Pilots desiring open time, he must complete the sequence. His scheduled off-duty period will commence after the completion of the Pilot's rest period (which is optional to the Pilot).
- 29.03.03 A Pilot on Reserve may accept flying where the start of the duty period is not more than 2 hours after the scheduled termination of his reserve period. In such cases, his scheduled off-duty period will commence after the completion of the Pilot's rest period (which is optional to the Pilot).
- 29.03.04 A Pilot on Reserve on scheduled time off is subject to drafting under Art 30.06.

- 29.03.05 In the case of irregular operations where the Pilot on Reserve was originally scheduled to return home prior to the commencement of a guaranteed day off period and subsequently is unable, the Company will make every effort to replace the affected Pilot.
- 29.03.05.01 At Pilot option, a Pilot on a domestic pairing that was originally scheduled to return to home Base prior to the commencement of a guaranteed day off period who is subsequently rescheduled will be returned to home Base no later than the first 24 hours of the guaranteed day off period except for reasons beyond the control of the Company. Deadheading under this provision will be done only on Company flights and to domestic terminals.
- 29.03.06 If a Pilot on Reserve's flight duty period extends into one of his off-duty periods his applicable rest period will be 12 hours or the length of the preceding flight duty period, whichever is greater.
- 29.03.07 If a Pilot on Reserve's flight duty period will cause his subsequent crew rest period to extend into his off-duty period, his off-duty period will commence after the applicable crew rest period.
- 29.03.08 A Pilot on Reserve may waive the applicable crew rest period.
- 29.03.09 A Pilot on Reserve contacted by crew scheduling at home Base during his designated 8 hour rest period as detailed in Art 29.04.06 will be limited to a maximum flight duty period of 10 hours and the subsequent 10 hour rest period will be increased by $\frac{1}{2}$ the length of the preceding flight duty period. This 10 hour maximum flight duty period cannot be extended and the resulting rest period cannot be reduced.

29.04 Reserve Duty

- 29.04.01 At home Base a Pilot on Reserve will be considered to be on reserve at all times, except during his off-duty rest periods or his off-duty periods. A Pilot on Reserve shall be relieved of all duty during the off-duty periods specified in his Reserve Block except as outlined in Art 29.16 and Art 30.06.
- 29.04.02 The Pilot on Reserve must ensure that his up-to-date contact information is provided to Crew Scheduling.
- 29.04.03 A designated reserve duty period may not be scheduled to exceed 16 hours.
- 29.04.04 A Pilot on Reserve must be available to report for flight duty no later than 2 hours after a call from Crew Scheduling.
- 29.04.05 At home Base a Pilot on Reserve will have an 8 hour designated rest period during each 24 consecutive hours of reserve duty.
- 29.04.06 The designated rest period for a Pilot on Reserve will normally be between 21:00 and 05:00 local time unless otherwise advised by crew scheduling.

29.05 Standby at the Home Base Airport

- 29.05.01 A Pilot on Reserve may be required for standby duty at his home Base airport. The flight duty period will commence at the reporting time as advised by Crew Scheduling.
- 29.05.02 The standby duty period will not exceed the maximum scheduled duty period. It is not necessary that the Pilot on Reserve remain at the airport during the entire duty period.
- 29.05.03 A Pilot on Reserve held on standby at the airport will be credited the greater of 2 hours Flying Pay and Flight Time credits or the appropriate pro-rated DPG.

29.06 Reserve Availability List

- 29.06.01 As part of the normal awards process, calls will be made to Pilots who are on or will be coming on reserve. Pilots on reserve who may not be available through their normal contact information as provided to Crew Scheduling should leave specific instructions on the reserve availability list as to the type of open time which they are prepared to accept without further contact with Crew Scheduling.
- 29.06.02 Absent specific instructions, the Pilot on Reserve will be assigned flying with the most credit hours.
- 29.06.03 A Pilot arriving from an overseas flight, except for Bermuda, Jamaica, or Cuba, must have indicated on the reserve availability list that he desires the normal off duty rest period as per Art 25.08, otherwise the 14 hour off duty rest period will be planned.
- 29.06.04 It is not necessary for the Pilot on Reserve on time off to put his name on the list if he can be reached by telephone.
- 29.06.05 Pilots on reserve on scheduled time off, or away from Base on a flight, whose names do not appear on the Reserve Availability List, will be assigned any remaining flying to be covered in reverse order of seniority.
- 29.06.06 A Pilot on Reserve will not be contacted by Crew Scheduling for flight awarding or assignment;
- 29.06.06.01 during the first 12 hours of his home Base rest period following flight duty; or
- 29.06.06.02 in the case of a mandatory reduced home Base rest period Art 25.08 during the entire 11h30; or
- 29.06.06.03 in the case of a home Base rest reduced at Pilot option Art 25.08, during the entire 10 hours; or
- 29.06.06.04 in the case of home Base rest periods greater than 14 hours, prior to 2 hours from the end of the rest period.
- 29.06.07 With due regard for the regulatory requirement to be legally rested for flight duty, the Pilot may advise Crew Scheduling by phone or Crewlink that he desires to be contacted for flight awarding during the above times.
- 29.06.08 A Pilot on Reserve on an optional off-duty period who desires to fly may enter his request in Crew Link. He may accept or refuse any flying offered to him except under the conditions of Art 30.06. He will not be considered as standing reserve during this period.

29.07 Open Time Procedures Due Illness

- 29.07.01 A Pilot on Reserve awarded a pairing that is subject to a Sick Hold which consists of a series of flights operating through the home Base will be advised that each series is subject to the 5 hour rule. If the Blockholder books on at least 5 hours prior to the scheduled departure of his next blocked flight outbound from his Base he will operate the remainder of his pairing.

29.08 Serving Out of Status

- 29.08.01 A Pilot holding a reserve assignment may be assigned, due to operational requirements, to flight duties in another status on the same equipment. Pay for such flights will be in accordance with the provisions of Art 13.11.

29.09 Limitation on Reserve Assignment between 00:00 and 06:00

- 29.09.01 A Pilot on Reserve will not be required to fly a flight or sequence of flights which operates, departs or arrives between the hours of 00:00 and 06:00 on consecutive nights with an intervening off-duty rest period at home Base unless there is no other Pilot on Reserve available to operate the flight or flights. Sufficient notice must have been given to such Pilot to allow a reasonable rest period prior to flight duty. These limitations will be based on the Pilot's home Base time.

29.10 Reserve Call-In

- 29.10.01 Pilots on Reserve on their last day off prior to a reserve period who have not already acknowledged an award for the next day, must check for an assignment and acknowledge with Crew Scheduling within 2 hours prior to the beginning of their designated rest period (e.g. after 19:00 when the designated rest period is between 21:00 and 05:00). This provision will not be used by Crew Scheduling to delay the awarding of open time.

29.11 Scheduling of Reserves

- 29.11.01 Every effort will be made by Crew Scheduling to avoid reassigning a Pilot on Reserve who has been awarded flight duty. However, it may be necessary at times to reassign the Pilot on Reserve to protect Company operations and to avoid the drafting of more senior Pilots. Therefore, although seniority preference is available during awarding, a Pilot on Reserve may be subsequently assigned to any other flight or flights as may be necessary due to changes in required flight coverage. Flying Pay will be in accordance with the flying actually performed.
- 29.11.02 Crew Scheduling will not extend an awarded pairing to total more than 7 days unless the Pilot on Reserve agrees to further extension. In the case of irregular operations where the Pilot on Reserve was originally scheduled to return home prior to the expiration of the 7 day period and subsequently is unable, the Company will make every effort to replace the affected Pilot.
- 29.11.02.01 A Pilot on a domestic pairing that was originally scheduled to return to home Base prior to the expiration of the 7 day period and who is subsequently rescheduled will, at his option, be returned to home Base no later than the first 24 hours following the expiration of the 7 day period except for reasons beyond the control of the Company. Deadheading under this provision will be done only on Company flights and to domestic terminals.
- 29.11.03 A Pilot on Reserve who has been awarded a Block in the following Block Period may elect to pass flying which conflicts with his Block to a more senior Pilot on Reserve coverage permitting.

29.12 Reserve Release

- 29.12.01 A Pilot on Reserve returning to home Base after flight duty must contact Crew Scheduling prior to leaving the airport to determine whether or not he is released from duty and/or to be advised of a future assignment.
- 29.12.02 A Pilot on Reserve who has completed periodic training must contact Crew Scheduling on completion of training on a scheduled working day, or on arrival at home Base where a deadhead is involved, to determine whether or not he is released from duty. Once released from duty, the Pilot on Reserve is entitled to legal crew rest. Reserves may be released when assigned to flying considering adequate standby protection is available at company discretion.
- 29.12.03 Pilots on reserve will not consider themselves released unless so informed by Crew Scheduling.

29.13 “A” and “B” Reserve

- 29.13.01 The designated reserve duty period may not be scheduled to exceed 16 hours. The intent of A-B Reserve is to allow the Pilot on Reserve some relief from this duty period.
- 29.13.02 Due to varying Base conditions, flight schedules, etc., the General Manager, System Flight Crew Planning & Scheduling in consultation with the local Council Chairman may vary the designated number of A or B Reserves in order that these exigencies may be satisfied.
- 29.13.03 The conditions of A-B Reserve are as follows:

- 29.13.04 Where possible reserve coverage will be divided into 2 shifts. These shifts will be awarded in order of seniority to those Pilots who have indicated a preference for A or B Reserve.
- 29.13.05 This system will not be used to increase the number of Reserves.
- 29.13.06 The day shift will be "A" shift; the night shift will be "B" shift.
- 29.13.07 All Pilots will be on "A" and "B" Reserve unless advised otherwise. A or B shift award for the following day will be done subsequent to the normal open flying awards.
- 29.13.08 The Reserve availability book, in addition to normal usage, will be used to indicate a preference to stand "A" or "B" reserve.
- 29.13.09 Known open flying will be awarded in the normal manner and according to the scheduling rules.
- 29.13.10 Flights coming open after the normal flight awarding and shift award is completed will be offered in order of seniority to "all available Pilots on Reserve" (all available reserves means A/B + A or A/B + B).
- 29.13.11 Shift hours will be predicated upon "airport reporting time".
- 29.13.12 Assignment to "A" or "B" Reserve duty will be for one shift or until commencement of flight duty.
- 29.13.13 Previous awards to "A" or "B" reserve duty may be altered due to the operational requirements of the Company.
- 29.13.14 A Pilot who wishes release from Duty during his "A" or "B" Reserve Duty Shift will contact Crew Scheduling in order to have such release authorized.

29.14 Reserve Time Balancing

- 29.14.01 When necessary to ensure that there is adequate reserve coverage throughout the Block Period, a Pilot on Reserve's flying time may be balanced at any time his projected Block Credits exceed the number of days expired in the Block Period times DSC.
- 29.14.02 Crew Scheduling will advise the Pilot on Reserve no later than 18:00 of the day prior to the day(s) he will be released from reserve duty for time balancing. Where possible, the additional days off will be combined with his other off duty periods.
- 29.14.03 A Pilot on Reserve will not be subject to time balancing during his optional off duty period(s).
- 29.14.04 A Pilot on Reserve may be time balanced only once in any one period of consecutive reserve duty days.

29.15 Reserve Displacement or Removal

- 29.15.01 Where a Pilot on Reserve is displaced by a MP, CP, PP or FI, 3h15 or more before the scheduled departure time, such Pilot will remain available on reserve until the normal completion of his reserve duty. The Pilot on Reserve will be paid and Flight Time limited the greater of the displaced or any other flying performed, except where re-assignment is required.
- 29.15.02 Where a Pilot on Reserve is displaced by a MP, CP, PP or FI less than 3h15 prior to the scheduled departure time of awarded flying he will be paid and Flight Time limited for the displaced flying as if flown according to schedule. The Pilot on Reserve will have the option of either being released from all duty until 12 hours after the scheduled arrival at home Base of the displaced flying, or he may elect to remain on duty. Additional Flying Pay and Flight Time credits will be applicable for pairings that originate from home Base after the schedule arrival of the displaced flying.

29.15.03 Up to 3h15 prior to departure, a Pilot on Reserve may be removed from previously assigned flying and replaced by a Pilot who is subject to Pay Protection or pairing integrity.

29.16 Periodic Training for Pilots on Reserve

29.16.01 A Pilot on Reserve will not be required to perform periodic training on one of his 12 days off unless he so desires.

29.16.02 If he elects not to train on his days off, the Company may designate a reserve day on which he will complete periodic training. During the designated day he will not be eligible for flying that will interfere with the training.

29.16.03 If a Pilot indicates that he will accept training during any of his off-duty days and the Company does not schedule him for training during these off-duty days, he will be Pay Protected for any flying that he is unable to complete because of this scheduling.

29.17 On Completion of Training or Return from LOA/GDIP

29.17.01 A Pilot completing qualification training or returning from a LOA/GDIP will be assigned to reserve duty once qualified.

ARTICLE 30 – DRAFT

30.01 Draft Flying

- 30.01.01 A Blockholder will be considered drafted whenever he operates flying at the request of the Company that was not a part of the original blocked flying, except for the following:
 - 30.01.01.01 Pairing Integrity or Pay Protection that takes place entirely within the Pay Protection window; and
 - 30.01.01.02 Pay Protection Pre-selection.
- 30.01.02 A Pilot on Reserve will be considered drafted whenever he operates flying at the request of the Company that commences during an Optional Day Off or whenever he is assigned flying above DBM+7 and the Pilot was above the AVO threshold when the award occurred.
- 30.01.03 Draft credits will include any associated deadhead, TTG or DPG credits.
- 30.01.04 Premiums for Draft flying will apply in accordance with Art 30.09.

30.02 Move-Up

- 30.02.01 In the event that flying becomes available less than 3h15 prior to scheduled departure and there is no Pilot available on reserve, makeup, AVO or subject to re-assignment, a Pilot may be removed from a flight or flights in his Block and assigned to that flying. A Pilot moved up under these circumstances will be considered drafted.

30.03 One-Way Assignment

- 30.03.01 A Pilot operating a one-way flight into a crew Base, or whose flight to home Base or scheduled layover point has been disrupted, will be assignable, where practical, to any unassigned one-way flight which will return to his home Base or continue to his scheduled layover point.
- 30.03.02 When at a crew Base where coverage is available and the Pilot has lost his flight (deadhead or operate) to his home Base, he may be required to remain at the crew Base on a stand-by basis for a maximum of 2 hours beyond the departure time of his lost flight, without being provided definite information as to a specific one way flight to be covered that will return him to his home Base. If no definite information can be provided within the 2 hours, the Pilot will be allowed to deadhead home.

30.04 Extension of Operations

- 30.04.01 When a layover or turnaround Pilot is required to operate a flight(s) which is a logical extension to his blocked flying, the Pilot may be assigned to the flight before leaving home Base but not later than the arrival time at the layover or turnaround point. The Pilot must be legal for the return blocked flight and will not lose Flying Pay as a result of this assignment. All additional flying under this provision will be considered as Draft flying.
- 30.04.02 A Pilot scheduled to terminate duty at his home Base will not have additional flying added to his blocked flying except as provided for otherwise in this collective agreement.

30.05 Unscheduled Re-routing

- 30.05.01 The provisions of Art 30 apply when a Pilot's scheduled flight is re-routed at company request through a station that was not scheduled in the original pairing.
- 30.05.02 The provisions of Art 30 will not apply when a flight is re-routed because of weather, technical reasons, enroute fuel stops, medical emergencies, mechanicals or alternate operations, provided the unscheduled rerouting is completed within the same duty period.

30.06 Drafting Procedure – Home Base

- 30.06.01 Drafting will be offered on a personal contact basis which includes the Data Link system.
- 30.06.02 A Pilot (Blockholder or Pilot on Reserve) may indicate his availability to accept a Draft on the Draft availability list or by directly contacting Crew Scheduling.
- 30.06.03 Draft flying at home Base under Art 28.02.05 STEP 7 will be offered in the following order to legal Pilots:
 - 30.06.03.01 on the Draft Availability List who have not reached the AVO threshold and in order of seniority; then
 - 30.06.03.02 not listed on the Draft Availability list who have not reached the AVO threshold and in order of seniority.
- 30.06.04 Draft flying at home Base under Art 28.02.05 STEP 8 will be offered in the following order to legal Pilots:
 - 30.06.04.01 on the Draft Availability List who have reached the AVO threshold and in order of seniority; then
 - 30.06.04.02 not listed on the Draft Availability list who have reached the AVO threshold and in order of seniority.
- 30.06.05 When there is insufficient time, under Art 30.06.03 (usually less than 3h15) or when there are no legal Pilots available, Crew Scheduling may offer the flying to any Pilot based on sound economic principles with due regard to seniority.
- 30.06.06 If unable to cover the flying in accordance with Art 30.06.04, or Art 30.06.05 crew scheduling will assign the flying in the following order regardless of the Pilot's accrued AVO:
 - 30.06.06.01 to the most junior legal Pilot; then
 - 30.06.06.02 to the most junior Pilot.
- 30.06.07 If, after a Pilot has been drafted, another Pilot becomes available either through Make-Up, AVO or on Reserve, the involuntarily drafted Pilot may, at his option, complete the pairing or terminate his duty day at his next arrival at home Base.
- 30.06.08 A Pilot on Reserve drafted under Art 30.06.03.01 or Art 30.06.04.01 will forfeit his Optional day(s) off, otherwise the Optional day (s) will be replaced in accordance with Art 29.02.04.
- 30.06.09 A Pilot will not be drafted for a flight which interferes with his planned vacation period.

30.07 Drafting Once a Pairing Has Started

- 30.07.01 A Pilot may be removed from a flight(s) in his Block and drafted to another flight(s) for the purpose of providing relief during irregular operations.
- 30.07.02 To prevent operational delays and providing no other legal Pilot is available, a Pilot may be drafted at a non crew Base, due to irregular operations or operational delays. Any resulting illegality will be reconciled as soon as possible.

30.08 Draft – Administration of Flying Pay and Flight Time Credits

- 30.08.01 A Blockholder who loses flying as a result of blocked flights being missed, or over-projection as a direct result of a Draft, will be paid and credited for the greater dollar value of the drafted flying or the original flying as if it had been flown according to schedule.
- 30.08.02 A Blockholder who has been awarded make up flying and is subsequently drafted which makes the Pilot unable to operate the Make-Up flying will be paid and receive Flight Time credits for the greater of the Make-Up flying as scheduled or the Draft flying.

30.08.03 A Pilot who is drafted over the Block Period end will be paid the greater of the drafted flying versus the applicable credit of the missed flying in the current Block, and the greater of the drafted flying versus the credit on his missed flying in the new Block.

30.09 Draft Premium

30.09.01 A Pilot (including CPs, FIs, and PPs) who is drafted will be paid a premium of 50% (cash cleared) including any associated deadhead, TTG or DPG when one of the following conditions apply:

30.09.01.01 A Blockholder or a CP operates additional flying prior to or after any pairings awarded in the Pilot's Block;

30.09.01.02 A Blockholder or a CP operates additional flying prior to or after any awarded makeup;

30.09.01.03 All flying a Blockholder or a CP operates on a day or days off as shown in his original Block;

30.09.01.04 Any Pay Protection reassignment flying that falls outside of the Pay Protection window excluding flying under Art 32.05.02.06;

30.09.01.05 A Pilot on Reserve is drafted on an optional day off. The premium will apply for the duration of the continuous off duty period as shown at the time of the Draft award;

30.09.01.06 A Pilot on Reserve is drafted above DBM+7 and is not eligible for AVO. The premium will apply on the portion of the credits above DBM+7.

30.09.02 A Pilot who has dropped flying with no credit will only be eligible for a Draft premium on the portion of the Draft assigned that is greater than the value of the originally dropped flying.

ARTICLE 31 – SICK LEAVE

31.01 General

- 31.01.01 Sickness is defined as illness of the employee and includes injuries received while off duty.
- 31.01.02 For the purpose of this Article, sick leave shall mean the period of days during which a pilot is unable to report for flight duty as a result of Sickness and during which period he is paid as outlined herein.
- 31.01.03 For the purpose of this Article, day shall mean a 24 hour period or part thereof.
- 31.01.04 Air Canada Occupational Health Services should be consulted any time a Pilot suffers from Sickness that may affect his Medical Certificate.

31.02 Sick Leave Entitlement

- 31.02.01 On January 1st of each year, all pilots actively employed with the Company shall be entitled to 12 days' sick leave with pay for the current year. Pilots employed during the year shall be entitled to 1 day's sick leave with pay for each full month remaining in the year.
- 31.02.02 Half of the unused portion of a pilot's yearly sick leave allowance shall be cumulative indefinitely. Cumulative sick leave will only be applied for additional sick leave benefits when the current year's allowance has been exhausted, such additional leave to be substantiated by a Doctor's certificate if required by the Company. The remaining unused portion shall be cumulative and credited to a GDIP bank. These credits can only be used to top up GDIP payments when the regular sick leave credits have been exhausted.

31.03 Book-off Procedures

- 31.03.01 When a Pilot anticipates that he may not be available for duty, it is necessary that Crew Scheduling be informed as early as possible. That early advice will not result in any additional charge against the pilot's sick leave allowance. That advice will be processed as follows:
 - 31.03.01.01 Blockholders:
 - 31.03.01.01.01 Should a Blockholder actually book off sick, he may place a Sick Hold on future flying. If Crew Scheduling is not advised prior to 5 hours before departure, the flights will be awarded as per Art 28.02.04.
 - 31.03.01.01.02 If a Blockholder does not actually book off, this advice will be used for planning purposes only, and will not result in the pilot being booked off. The pilot must advise Crew Scheduling of his non-availability, otherwise, he will be expected to operate his flights.
 - 31.03.01.02 Pilots on Reserve:
 - 31.03.01.02.01 A Pilot on Reserve may advise Crew Scheduling to commence his sick leave immediately when he desires to receive pay and Flight Time credits prior to when he would have been assigned.

31.04 Booking Back On

- 31.04.01 A pilot who is off sick and who expects to be available to fly may go on Make-Up or reserve availability, as appropriate; such pilot will be awarded flying in the normal manner provided that Crew Scheduling is advised by the pilot that he will be available for the flight. A Pilot on sick leave who was awarded Make-Up, AVO or Draft flying will neither be charged for sick leave nor credited for such flying

- 31.04.02 It is essential when booking on after Sickness that Blockholders do so at or before the awarding time of the next flight in their Block. Unless Crew Scheduling are advised to the contrary, they must assume at the awarding time that the pilot is still off sick and therefore, they must award his flight as per Art 28.05.
- 31.04.03 If the Blockholder books back on after the awarding time, but prior to the departure time of the flight, he has no claim on the flight.
- 31.04.04 If the Blockholder is in doubt as to his ability to do his flight, he may so advise Crew Scheduling and they will place a Sick Hold on his flight for him until 5 hours prior to departure, provided this advice is received at or before the awarding time for that flight.
- 31.04.05 A pilot who has been absent from duty due to injury or illness for a period of over 7 days must normally have a Company Medical Examination before resuming duty. At the discretion of the Company Physician, the requirement for a Company Medical Examination may be waived after discussion between the Company Physician and the pilot.

31.05 Sick Leave Charges

- 31.05.01 Deductions from a Pilot's Sick Leave Entitlement and pay under Art 31 begin at the same time as follows:
 - 31.05.01.01 Blockholder:
 - 31.05.01.01.01 For Blockholders, the sick leave period begins at the on-duty time when the Blockholder is unavailable for his next scheduled flight. A sick day shall be charged for each 24 hour increment or part thereof.
 - 31.05.01.01.02 A Pilot on sick leave who was awarded Make-Up, AVO or Draft flying will neither be charged for sick leave nor credited for such flying.
 - 31.05.01.02 Reserve
 - 31.05.01.02.01 For Pilots on Reserve, sick leave shall commence at the on duty time of any assignment for which the pilot has or otherwise would have been assigned. A sick day shall be charged for each 24 hour period or part thereof.
 - 31.05.01.03 Pilots on vacation may not utilize sick leave provisions.

31.06 Sick Leave Calculation

- 31.06.01 Calculation of the number of days of sick leave used and calculation of pay is based on the actual book-on time for Blockholders. When the book-on time is prior to the termination of a flight(s) in his Block, pay is calculated to the book-on time or to the completion of the 24 hour sick day, whichever is later. A Blockholder who lost time as a result of this procedure is eligible to go on Make-Up. When a Pilot on Reserve books on, and subsequently flies in that 24 hour period, such book-on time shall be deemed to have been at the end of the preceding 24 hour period sick time.

31.07 Sick Pay

- 31.07.01 During a sick leave period, a Pilot holding a Block shall be paid for the flights in his Block as if they had been flown according to schedule at 90% of the dollar value and shall be credited with such flying time for the purpose of flight time limitation.
- 31.07.02 When a Pilot holding a Reserve Block is on sick leave, his flying pay for the Block Period shall be based on the greater amount of:
 - 31.07.02.01 MBG; or
 - 31.07.02.02 His actual flying pay for the month, plus the DAE (exclusive of leave of absence without pay) for each day he is on sick leave.
- 31.07.03 For Flight Time limitation purposes for a Pilot holding a Reserve Block, the DSC will be applied for each day the Pilot is on sick leave.

31.08 No Sick Days Left

- 31.08.01 When a Pilot's sick leave entitlement has been fully used and Sickness occurs, the pilot may arrange to take unused vacation credits.
- 31.08.02 A Pilot without sick leave or vacation credits will be covered by Art 8 (LOA).

31.09 Foreign Operations

- 31.09.01 Any Pilot on duty outside North America, the Caribbean, Continental Europe and the United Kingdom who becomes sick due to causes which in the opinion of Air Canada Occupational Health Services, are related to the living and health conditions peculiar to the Foreign Country or countries shall be provided with or compensated for the complete cost of medical care and hospitalization. The pilot will receive salary based on the DSC DN. Pilots covered under this provision shall not forfeit sick leave credits.

31.10 Sick Days and GDIP

- 31.10.01 A Pilot who is a member of the Air Canada Group Disability Income Plan (Art 16) will draw sick leave benefits up to a maximum of 30 days.
- 31.10.02 A Pilot may elect to use any sick leave benefits remaining to his credit at the rate of ¼ day for each additional day of disability, based on the Pilot's presumed earnings as per Art 16.02.02.01.

31.11 Physical Examination

- 31.11.01 Without his consent, a Pilot shall not be required to submit to any Company physical examination in excess of periodic 6 month or 1 year examination required under government regulation for licence endorsement, unless it is apparent that his health or physical condition is impaired, in which case the Pilot will be furnished a copy of the medical examination report. The physical standards required by the Company to be maintained for continued employment as a Pilot shall be no more restrictive than those required by the Ministry of Transport at the time of the examination, including any waiver policy adopted by the Ministry.
- 31.11.02 Any Pilot who does not pass a Company physical examination may, at his option, have a review of his case in the following manner:
 - 31.11.02.01 He may employ a qualified medical examiner of his own choosing and at his own expense for the purpose of conducting a physical examination for the same purpose as the physical examination made by the Company's medical examiner.
 - 31.11.02.02 A copy of the findings of the medical examiner chosen by the employee shall be furnished to the Company, and in the event that such findings verify the findings of the Company's medical examiner, no further medical review of the case shall be afforded.
 - 31.11.02.03 In the event that the findings of the medical examiner chosen by the employee shall disagree with the findings of the Company's medical examiner, the Company will, at the written request of the employee, ask that the 2 medical examiners agree upon and appoint a third qualified and disinterested medical examiner, preferably a specialist, for the purpose of making a further physical examination of the employee.
 - 31.11.03 The said disinterested medical examiner shall make a further examination of the pilot in question, and the case shall be settled on the basis of his findings.
 - 31.11.04 The expense of employing the disinterested medical examiner shall be borne ½ by the pilot and ½ by the Company. Copies of each medical examiner's report shall be furnished to the Company and to the pilot.

31.11.05 It is specifically agreed that the findings of the medical examiners concerned herein shall be unbiased, and no exchange of medical opinions or history shall be made either in writing or verbally, until each medical examiner has examined the Pilot concerned. Nothing herein shall prevent the interchange of medical opinion after examination and before a common decision is reached.

ARTICLE 32 – PAY PROTECTION AND PAIRING INTEGRITY

32.01 Pairing Integrity

- 32.01.01 Once a Blockholder has reported for flight duty, the Flying Pay and Flight Time credits associated with the original pairing at time of check-in are protected. Should any flying be lost in the pairing as a result of consolidation, substitution, cancellation, misconnection, or operational reasons, the Blockholder may be reassigned within the original pairing including immediate Block Recovery (Art 32.05.01). Should it be necessary to assign flying beyond the original end time of the pairing, it will be considered Draft flying.
- 32.01.02 Notwithstanding Art 32.01.01 Draft and AVO are not subject to pairing integrity.

32.02 Pay Protection

- 32.02.01 For the purposes of the Pay Protection provisions, flying time is considered flying operated by the Pilot. Draft and AVO are not subject to Pay Protection.
- 32.02.02 Except as outlined under the provisions of Pairing Integrity, when a Blockholder loses flying time from his Block because of consolidation, cancellation, substitution, misconnection, or operational reasons on a pairing or pairings for which he has not yet reported for duty, he will be entitled to Pay Protection.
- 32.02.03 Following PBS block closing, a Pilot who becomes illegal to operate the outbound portion of an overlap pairing in the current Block Period because of block growth will be subject to the Pay Protection provisions for the overlap portion in the next Block Period. In the event that the reassigned flying is cancelled the Pilot will be subject to further reassignment.
- 32.02.04 A Pilot on Reserve forced out on an overlap trip that causes him to lose his first blocked pairing(s) in the subsequent Block Period will be offered Pay Protection for the lost credits. If the Pilot accepts Pay Protection he will be subject to the normal reassignment rules. Any flying, including all applicable TTG, DPG and deadhead credits accrued during the overlap will be used to offset Pay Protection.
- 32.02.05 The company will advise the Pilot of any loss of flying time as soon as possible.
- 32.02.06 Upon notification of the loss of flying time, it will be the Pilot's option to accept or refuse Pay Protection except under the following circumstances where the Pilot is automatically Pay Protected:
- 32.02.06.01 When the Blockholders' credits are reduced below the MBG; or
- 32.02.06.02 When the Blockholder has previously accepted Pay Protection during the same Block Period.
- 32.02.07 A Blockholder who has declined Pay Protection will be permitted to recover lost flying time under the following provisions:
- 32.02.07.01 Use of Make-Up as per Art 28; or
- 32.02.07.02 Pre-selection of open time.

32.03 Application of Pairing Integrity and Pay Protection

- 32.03.01 A Pilot who accepts Pay Protection will be paid and receive Flight Time credit for the greater of the actual flying performed or for the flights in his Block as if flown according to schedule, provided the Pilot would have been legal to do the lost flying (except as provided for in Art 32.02.03).
- 32.03.02 Pairing integrity and Pay Protection will be limited to the credit value of the greater of the Pilot's original Block or the Pilot's Block projection at the time of the loss of flying.
- 32.03.03 The cumulative value of any un-recovered Pay Protection and/or pairing integrity credits will be available when reassigning flying for subsequent Pay Protection and/or pairing integrity events.

- 32.03.04 Extra credits gained during a Pay Protection or pairing integrity reassignment may be used to recover lost credits from a previous or subsequent event.
- 32.03.05 A Pilot who has credits protected under pairing integrity and subsequently becomes eligible for Pay Protection may decline the offer of Pay Protection. In this case, the Pilot will forfeit any previously protected credits and will be paid only for the actual credits flown in the Block.
- 32.03.06 If a Pilot declines Pay Protection the Company will, at that time, advise the Pilot whether he will be required to fly the balance of his interrupted flight sequence.
- 32.03.07 Once the Pilot accepts or declines Pay Protection he will not have the option to change that decision for subsequent Pay Protection events occurring during the same Block Period.
- 32.03.08 AVO, Make-Up, or Draft flying awarded outside of the Pay Protection window will not be used to offset un-recovered Flight Time losses.
- 32.03.09 Block growth will not be used to offset un-recovered Flight Time losses.
- 32.03.10 Make-Up flying, once awarded, is eligible for Pay Protection.

32.04 Reassignment Application

- 32.04.01 Once a Blockholder accepts Pay Protection, the Company will determine and advise the Pilot whether he will be required:
 - 32.04.01.01 to fly the balance of his interrupted flight sequence; and/or
 - 32.04.01.02 to be assigned open time under the provisions of Art 32.05.
- 32.04.02 Pilots under Pay Protection will be assigned flying prior to Pilots on Make-Up, AVO, Reserve and Draft.
- 32.04.03 Reassignment flying may not cause the Pilot's Block projection to exceed the greater of the DBM or the Pilot's Block projection at the time of the loss of flying. Should the cumulative total of the Pilot's Block plus his block growth exceed the allowable limit, the Pilot will only be protected for the pairings for which he is legal.
- 32.04.04 Pilots under Pay Protection may only be reassigned in their current status except as described in Art 28.02.05.

32.05 Reassignment Procedures – Open Time

32.05.01 Immediate Block Recovery:

- 32.05.01.01 Under Immediate Block Recovery, a Pilot subject to Pay Protection may be assigned open flying that falls within the appropriate window of assignment. The window is either:
 - 32.05.01.01.01 the 3 hour window; or
 - 32.05.01.01.02 the original pairing start and end times.

32.05.02 Pre-assignment:

- 32.05.02.01 A Pilot may be assigned any open flying on normal working days within a window of 8 hours before the original scheduled departure to 8 hours after the original scheduled arrival of the lost flying; and
- 32.05.02.02 Pre-assignment may occur at any time throughout the Block Period up until the completion of normal awards the day prior to the lost flying; and
- 32.05.02.03 Flying that extends beyond the original calendar date may be assigned, provided it is within the 8-hour window; and
- 32.05.02.04 At his option, a Pilot may accept flying that extends outside of the window; and
- 32.05.02.05 It is desirable to offer pairings that are similar to the ones being Pay Protected; and
- 32.05.02.06 A Pilot may be offered open time Pre-selection on days off, but refusal will not disqualify the Pilot from Pay Protection; and

- 32.05.02.07 Should a Pilot accept Pre-selection on days off he will not have to be available on the scheduled working days that are being replaced as a result of such assignment; and
- 32.05.02.08 Subsequent reassignment days will be subject to the same procedures as outlined within Art 32.05.
- 32.05.03 Block Recovery at Normal Awards:
- 32.05.03.01 The Pilot's name will be placed on the Block Recovery list for the days he would have normally been scheduled; and
- 32.05.03.02 Pilots will be assigned Block Recovery prior to Blockholders on Make-Up regardless of seniority; and
- 32.05.03.03 The reassignment must fall within a window of 8 hours before the original scheduled departure to 8 hours after the original scheduled arrival of the lost flying. Flying that extends beyond the original calendar date may be assigned, provided it is within the 8-hour window. At his option, a Pilot may accept flying that extends outside of the window; and
- 32.05.03.04 It is desirable to offer pairings that are similar to the ones being Pay Protected; and
- 32.05.03.05 If 2 or more Pilots are subject to Pay Protection recovery the most senior Pilot(s) will be assigned flying; and
- 32.05.03.06 Subsequent reassignment days will be subject to the same procedures as outlined within Art 32.05.
- 32.05.04 Block Recovery at 19:00 (day prior):
- 32.05.04.01 A Pilot who has not been assigned flying at normal awards must contact Crew Scheduling at 19:00 the day prior to the day of the lost flying for possible reassignment; and
- 32.05.04.02 The reassignment must fall within a window of 3 hours before the original scheduled departure to 3 hours after the original scheduled arrival of the lost flying. Flying that extends beyond the original calendar date may be assigned, provided it is within the 3-hour window. At his option, a Pilot may accept flying that extends outside of the window; and
- 32.05.04.03 Should a Pilot not be assigned flying at 19:00 he will not be required to contact Crew Scheduling until 09:00 the following day and will not be subject to assigned flying prior to 13:00 on that day; and
- 32.05.04.04 If the required calls cannot be made due to crew rest or any other legitimate reason the Pilot must make alternative arrangements with Crew Scheduling; and
- 32.05.04.05 Subsequent reassignment days will be subject to the same procedures as outlined within Art 32.05.
- 32.05.05 Block Recovery at 09:00 (day of):
- 32.05.05.01 A Pilot who has not been assigned flying at 19:00 the day prior must contact Crew Scheduling at 09:00 on the normal working day for possible reassignment of flying that departs at or after 13:00; and
- 32.05.05.02 The reassignment must fall within a window of 3 hours before the original scheduled departure to 3 hours after the original scheduled arrival of the lost flying. Flying that extends beyond the original calendar date may be assigned, provided it is within the 3-hour window. At his option, a Pilot may accept flying that extends outside of the window; and
- 32.05.05.03 If the required calls cannot be made due to crew rest or any other legitimate reason the Pilot must make alternative arrangements with Crew Scheduling; and
- 32.05.05.04 Subsequent reassignment days will be subject to the same procedures as described within Art 32.05.

ARTICLE 33 – DISPLACEMENT AND REMOVAL

33.01 Exchange or Release from Block Flights

33.01.01 A Pilot will be expected to fly the pairings in his Block as awarded. Any request to be removed from a flight or flights, or to exchange flights, must be approved by the Chief Pilot. A Pilot who is removed from a flight is not legal for Make-Up flying during the time that his dropped flying operates, except when the flight drop was approved for bona-fide reasons by the Chief Pilot.

33.02 Removal and Displacement

33.02.01 For the purpose of providing relief as a result of the Company's training, checking, and competency flying requirements, a Pilot may be:

33.02.01.01 displaced from a flight or flights in his Block as per Art 33.03 and Art 33.04; or

33.02.01.02 removed from his entire Block and reassigned to reserve duty as per Art 33.06.

33.02.02 A Pilot who is being displaced for competency flying purposes may refuse the displacement, except when the flying is required for MP competency flying and is for the complete pairing, or for a partial displacement as per Art 33.03.02.

33.02.03 A Pilot will not be considered displaced or removed from his flight except when the Pilot is legal and in position to operate that flight.

33.03 Complete/Partial Pairing Displacement

33.03.01 A Blockholder may be displaced or tentatively displaced from a complete pairing, or a part of a pairing, in his Block.

33.03.02 Partial Displacement – Any displacement from flying that does not begin and end at the Blockholder's home Base, or any displacement from flying in the middle of a duty period that does not begin and end at the Blockholder's home Base, will be at the sole discretion of the affected Pilot. If the Pilot accepts the displacement, Flying Pay and Flight Time credits will not apply for any deadheads that are required for him to position to or from the flights being operated.

33.03.02.01 A Pilot who deadheads on his own flight(s) as a result of a partial displacement as above will receive Flying Pay and Flight Time credits for the greater of the scheduled or actual time of the displaced flight, including any applicable DPG or TTG.

33.03.03 A Blockholder who is displaced will be:

33.03.03.01 released from all duties associated with the displaced flying; and

33.03.03.02 paid and credited for such pairing/flight(s) as if they had been flown according to schedule; and

33.03.03.03 permitted to go on Make-Up or AVO as per Art 28.02.05 and Art 28.03.

33.03.04 A Blockholder who is tentatively displaced will:

33.03.04.01 remain available to operate the displaced pairing/flight(s) until 3h15 prior to the originally scheduled departure of the first displaced flight; and

33.03.04.02 be paid and credited for such pairing/flight(s) as if it had been flown according to schedule; and

33.03.04.03 be permitted, after the Pilot has been released from his obligation to remain available for his flight (3h15 rule), to go on Make-Up or AVO as per Art 28.02.05 and Art 28.03.

33.04 Reserve Displacement – see Art 29.15

33.05 Removal from Training

- 33.05.01 A Pilot who is planned for training for a complete or partial Block Period and who returns to service due to a delay in, or removal from, training at Company request, will stand reserve for the remainder of the Block Period. The Pilot will choose the placement of his days off as per a normal reserve pattern, and a block rerun will be done to determine his minimum pay.
- 33.05.02 A Pilot who is planned for training for a complete or partial Block Period and who returns to service due to a delay in, or removal from, training at Pilot request, will be assigned and paid as a Pilot on Reserve. He will choose the placement of his days off as per a normal reserve pattern.

33.06 Removal from a Block

- 33.06.01 A Pilot may be removed from his complete Block at Company request and assigned to reserve duty. A Pilot who is assigned to reserve duty will stand reserve only on the calendar days on which the Pilot would have been working according to the original Block. Such reserve days will be designated as being from midnight to midnight except that a Pilot who is removed from a pairing with a single duty period which extends through the midnight hour will be assigned to only one reserve duty period. The first calendar day affected will be the reserve duty day or, by mutual agreement between the Pilot and Crew Scheduling, the second calendar day.
- 33.06.02 If a Pilot is called for duty during such a reserve duty period and is required to operate a flight or flights that extend into what would normally have been days off, reinstatement of the day(s) off will be made immediately on return to home Base. If the day(s) off cannot be reinstated before the Block Period end, the Pilot will not be required to operate the flight(s).
- 33.06.03 A Pilot who is removed from his Block will be paid the greater of :
- 33.06.03.01 the Block Credits for the Block from which the Pilot was removed as if they had been flown according to schedule; or
- 33.06.03.02 the actual Block Credits as flown; or
- 33.06.03.03 the reserve MBG.
- 33.06.04 A Pilot, holding a Block who is assigned to reserve duty under this Article may accept Make-Up provided the Pilot would have been legal for such flying if still assigned to the original Block. Such make-up will not be permitted during periods of reserve.

33.07 Fatigue Drop-No-Credit

- 33.07.01 On certain occasions it is reasonable for Pilots to experience instances of fatigue. Fatigue must be responsibly addressed by all parties and requires Pilot commitment to reasonable personal scheduling and management's commitment to provide relief from duty when required. Upon a Pilot's request, the Pilot will be relieved from duty via Drop-No-Credit when fatigue is an issue. In order to preserve the integrity of operations, Pilots are obligated to timely notify Crew scheduling that relief is required.

33.08 Switching F/O and Augment Pilot Assignments

- 33.08.01 The Company may change the assignment of a First Officer on an augmented pairing from First Officer to Augment Pilot or the reverse in order to conduct a check ride or to maintain the recency of the Pilot originally assigned as Augment Pilot provided both Pilots are notified at least 24 hours prior to departure of the affected leg(s).

ARTICLE 34 – LETTERS

34.01 Letters of Understanding

The following Letters of Understanding (L.O.U.'s) form part of the Collective Agreement and have either been retained, deleted or relocated to the appropriate article in the Collective Agreement.

L.O.U. 1	Covering Charges for Relief from Flight Duties for Pilots on CALPA Business and Modification to Article 22 – Seniority	Deleted
L.O.U. 2	Charter/Cargo Flying	Deleted
L.O.U. 3	Third crew member for Boeing 747, Lockheed 1011 and Boeing 727 aircraft	Deleted
L.O.U. 4	Relief Pilot – Bombay to London	Deleted
L.O.U. 5	Duty and Off Duty Periods	Deleted
L.O.U. 6	Group Insurance	Deleted
L.O.U. 7	Flight Safety Program Usage of Aircraft Electronic Recording and Reporting Devices	Deleted
L.O.U. 8	Career Reorientation Plan	Deleted
L.O.U. 9	Group Disability Income Plan	Deleted
L.O.U. 10	Introduction B747-400 Aircraft	Deleted
L.O.U. 11	Air Canada Pilot Pension Plan	Deleted
L.O.U. 12	Two (2) Pilot Aircraft (Excluding DC9) -- Overseas Operations Excluding North America and the Caribbean	Deleted
L.O.U. 13	Deleted	Deleted
L.O.U. 14	Association/Management Headquarters Committee	Deleted
L.O.U. 15	Incident Report Distribution	Deleted
L.O.U. 16	Preferential Bidding System	Deleted
L.O.U. 17	Canadian Regional Air Carrier Alliance/Liaison/Connector Affiliates	Deleted
L.O.U. 18	Move-Up / Transition Provision Canadian Regional – Liaison / Alliance / Connector Carriers Transition Agreement/LOU 18 Clarification	Deleted
L.O.U. 19	Off-Shore Assignment B-747-400	Deleted
L.O.U. 20	System Pairing Evaluation Committee	Deleted
L.O.U. 21	Pilot Crew Meal Guidelines	Deleted
L.O.U. 22	Flight Crew Augmentation (Except DC9-DC8)	Deleted
L.O.U. 23	Deleted	Deleted
L.O.U. 24	Temporary Crew B-737 – Winnipeg Base	Deleted
L.O.U. 25	Extension to Collective Agreement	Deleted
L.O.U. 26	Hadj Charter Operation – 1993	Deleted
L.O.U. 27	Wet Lease Program – Polynesian Airlines 1993/1994	Deleted
L.O.U. 28	Pilot Employment Levels	Deleted
L.O.U. 29	Pilot Productivity Improvement Protection Plan	Deleted
L.O.U. 30	RJ-50 Aircraft	Deleted
L.O.U. 31	The CL-65 Aircraft	Deleted
L.O.U. 32	Code Sharing	Deleted
L.O.U. 33	Joint Sub-Committee Activities	Deleted
L.O.U. 34	Compassionate Transfer	Deleted
L.O.U. 35	L-1011 Re-Introduction	Deleted
L.O.U. 36	Trial Captain Upgrade Program	Deleted
L.O.U. 37	Furlough Pilot Recall Process	Deleted
L.O.U. 38	Introduction A-340 Aircraft	Deleted
L.O.U. 39	Temporary Staffing Relief	Deleted
L.O.U. 40	Training Alternative Committee	Deleted
L.O.U. 41	Transition Agreement	Deleted

L.O.U. 42	Crewing Relief	Deleted
L.O.U. 43	Cogscreen Testing	Deleted
L.O.U. 44	Pay and Vacation Adjustment/ Furloughed Pilots 1992-95	Deleted
L.O.U. 45	Preferential Bidding System	Deleted
L.O.U. 46	Acting Check Pilots and Acting Flight Instructors	Deleted
L.O.U. 47	Air Canada – Pilots Share Appreciation Plan	Deleted
L.O.U. 48	Extra Hours to Address Growth Opportunities	Deleted
L.O.U. 49	A320/340 Augment Pilots	Deleted
L.O.U. 50	Procedure for Completing a Simulator Crew Complement	Deleted
L.O.U. 51	Low Cost Carrier ([LCC] – Basic Tenets for Work Rules & Conditions)	Deleted
L.O.U. 52	Work Sharing	Deleted
L.O.U. 53	Special Leave of Absence Program	Deleted
L.O.U. 54	Special Sport and Business Charter Program	Deleted
L.O.U. 55	Voluntary Block Reduction Program	Deleted
L.O.U. 56	Edmonton ZIP Base	Deleted
L.O.U. 57	Pay Rates for Aircraft between 76 and 110 Seats Inclusive	Deleted
L.O.U. 58	ZIP J-class	Deleted
L.O.U. 59	Special Leave of Absence Program	Deleted
L.O.U. 60	Early Retirement Incentive Program	Deleted
L.O.U. 61	Reinstatement Rights	Deleted
L.O.U. 62	Addition of two A340-500 Aircraft (Fin #s 951 & 952) to the Mainline Fleet	Deleted
L.O.U. 63	Position Group (PG)	Modified
L.O.U. 64	Embraer 170/175/190 & CRJ 705 Agreement	Deleted
L.O.U. 65	Acquisition of Boeing 777 and 787 aircraft	Revised
L.O.U. 66	Position Group Exclusions, Bidding Freezes and A320 First Officer Vacancies	Deleted
L.O.U. 67	Cargo Wet Lease	Deleted
L.O.U. 68	Special Leave of Absence Program – 2008	Remains
L.O.U. 69	Early Retirement Incentive Program	Deleted
L.O.U. 70	Voluntary Block Reduction Program (VBR)	Deleted
L.O.U. 71	Re: B777 Flight Relief Seat	Deleted
L.O.U. 72	Flight Data Analysis (FDA) Program	Remains
L.O.U. 73	10-Hour Duty Day Restriction	New
L.O.U. 74	Low Cost Carrier (LCC)	New
L.O.U. 75	Elimination of Mandatory Retirement	New
L.O.U. 76	Implementation of Course Rights	New
L.O.U. 77	Pension	New

34.02 Letters Of Commitment

The following Letters of Commitment (L.O.C.'s) form part of this Collective Agreement and have either been retained, deleted or relocated to the appropriate article in the Collective Agreement.

L.O.C. 1	Flight pay loss for ACPA negotiators	Deleted
L.O.C. 2	Deadheading pass priority	Deleted
L.O.C. 3	Flight pay loss for ACPA President	Deleted
L.O.C. 4	Introduction of new freighter aircraft	Deleted
L.O.C. 5	Rehabilitation allowance/Pension/Pass Priority	Deleted
L.O.C. 6	Air Canada settlement involving Mr. W.P. Kelly	Deleted
L.O.C. 7	Crew complement in the simulator	Deleted
L.O.C. 8	Involuntary assignment	Deleted

L.O.C. 9	Changes to scheduled pairings	Deleted
L.O.C. 10	Deadheading on other than designated flights	Deleted
L.O.C. 11	Article 2.18 map	Deleted
L.O.C. 12	Introduction of the B-767	Deleted
L.O.C. 13	War zone insurance coverage	Deleted
L.O.C. 14	Pass priority when deadheading for training	Deleted
L.O.C. 15	Pass travel – Article 25	Deleted
L.O.C. 16	F/J seating – economy flights	Deleted
L.O.C. 17	Scope clause – reopener	Deleted
L.O.C. 18	Centralized crew scheduling	Deleted
L.O.C. 19	Deadheading on other airlines	Deleted
L.O.C. 20	Non-smoking seat selection	Deleted
L.O.C. 21	On-board library	Deleted
L.O.C. 22	Meal guidelines	Deleted
L.O.C. 23	Aircraft headsets	Deleted
L.O.C. 24	Alliance carriers	Deleted
L.O.C. 25	LOU No.17	Deleted
L.O.C. 26	Pilot training	Deleted
L.O.C. 27	A-320 training	Deleted
L.O.C. 28	Flight Data Reporting Systems	Deleted
L.O.C. 29	L.O.U. No. 19	Deleted
L.O.C. 30	Loft Training	Deleted
L.O.C. 31	Simulator, Training/Checking	Deleted
L.O.C. 32	A-340 Rest Facilities	Deleted
L.O.C. 33	Furloughed Pilot Pension Buyback	Deleted
L.O.C. 34	Printing and Distribution of the Collective Agreement	Deleted
L.O.C. 35	Bank Time – Flat Salary Pilots	Deleted
L.O.C. 36	Collective Bargaining – Connector Airlines	Deleted
L.O.C. 37	Bank Time – Cash Clear Option	Deleted
L.O.C. 38	Relief Pilot Crewing	Deleted
L.O.C. 39	Training Failure Handling	Deleted
L.O.C. 40	Top-Up Benefits on Grounded Retirement	Deleted
L.O.C. 41	Augmentation – A340 Aircraft – Designated 1 “J” Class Seat	Deleted
L.O.C. 42	Top-Up Payment of Insured Medical Services	Deleted
L.O.C. 43	Long-Term Employee Stock Ownership Committee	Deleted
L.O.C. 44	Contracted Simulator Trainers	Deleted
L.O.C. 45	Application of Company Benefit Plans to Pilots Residing Outside of Canada	Deleted
L.O.C. 46	Pay Rates for Aircraft of 75 Seats or less	Deleted
L.O.C. 47	CL-65 Job Guarantee	Deleted
L.O.C. 48	Pension Indexation	Deleted
L.O.C. 49	Munroe Award	Deleted
L.O.C. 50	Allocation of Aircraft between 76 and 110 Seats	Deleted
L.O.C. 51	Planned Deadheads	Deleted
L.O.C. 52	Flexible Benefits Discussion	New
L.O.C. 53	GDIP Administration and Case Management	New
L.O.C. 54	A/B Reserve	New
L.O.C. 55	Sick Leave	New
L.O.C. 56	Flight Switch Rules	New
L.O.C. 57	Automated Awards	New
L.O.C. 58	ACPA Displacement Procedures	New
L.O.C. 59	Crew Scheduling Systems	New
L.O.C. 60	Pilot Pay	New

34.03 Appendices

The following appendices shall form part of the Collective Agreement

Appendix A	Re: Article 30.12.02 List of Expedited Arbitrators	Deleted
Appendix B	Profit Sharing	New
Appendix C	ACPA, Jazz Air Inc., ALPA and Air Canada Settlement Agreement including: Arbitrator Martin Teplitsky Consent Award dated July 12, 2004 incorporating the Settlement Agreement into the Collective Agreement	Deleted
Appendix D	Memorandum of Agreement June 4, 2004 including: Early Retirement Incentive Program Labour Cost Term Sheet Clean Slate Agreement ACPA Indemnity	Deleted
Appendix E	Arbitrator Teplitsky Consent Award dated September 17, 2004 – Re: Aeroplan Grievance	Deleted
Appendix F	Pension Funding and Collective Agreement Renewal	New

LETTER OF UNDERSTANDING NO. 63

**between
Air Canada
and
Air Canada Pilots Association**

Position Group (PG)

This Letter of Understanding outlines pay parameters as they relate to Relief Pilot positions within the Position Group.

L63.01 The Position Group includes the following:

- L63.01.01 B-767 Relief Pilot
- L63.01.02 B-787 Relief Pilot
- L63.01.03 A-340 Relief Pilot
- L63.01.04 B-777 Relief Pilot
- L63.01.05 B-747 Relief Pilot

L63.02 Unless otherwise indicated, the provisions of this LOU will only apply to those pilots who were junior to the pilot holding seniority number 2975 on the January 1, 2006 seniority list.

L63.03 Position Group Pay

- L63.03.01 Pilots in the Position Group will be part of a wage pool. The wage pool will be used to develop a common day and night Position Group pay rate across a seniority range of 12 years. 92% of Overseas pay on the 767, 787, 777 and A340 RP positions will be rolled into the wage pool to determine the Position Group pay rates.
- L63.03.02 For the first six months of this LOU, the Position Group pay rate will be pro-rated based on the number of QPOS pilots in each Position Group position and will be recalculated bi-monthly. Either the Company or the Association may require that the method of calculation be changed during this trial period.

Note: The method of calculation of the payroll for pilots in the Position Group shall be such that the total payroll for all pilots within the Position Group will be cost neutral and no less than what the payroll of all positions within the Position Group would have been without the implementation of the Position Group.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this _____th day of _____.

FOR: AIR CANADA

FOR: AIR CANADA PILOTS ASSOCIATION

LETTER OF UNDERSTANDING NO. 65

IN THE MATTER OF AN ARBITRATION

**between
Air Canada
and
Air Canada Pilots Association (ACPA)**

B777 and B787 Aircraft

**Martin Teplitsky, Q.C.
Arbitrator**

(Excerpt):

It is my award, that subject to my retaining jurisdiction to adjust the timetable on Ultra Long Haul Flying, the terms of the tentative agreement are my award on the matters in issue before me.

I will remain seized pending implementation of this award.

DATED the 31st day of October, 2005.

Martin Teplitsky, Q.C.
Arbitrator

LETTER OF UNDERSTANDING NO. 68

**between
Air Canada
and
Air Canada Pilots Association**

Special Leave of Absence Program – 2008

Notwithstanding the provisions of Article 20 – Leave of Absence of the Collective Agreement, the Company and the Association agree to a Special Leave of Absence (SLOA) Program the provisions of which are incorporated into this Letter of Understanding.

- L68.01 Effective November 1, 2008, at the discretion of the Company, pilots may be granted SLOA's regardless of their years of service. The duration of the SLOA's may not go beyond October 31, 2013 unless otherwise agreed to by the Company and the Association and shall be granted in full calendar months. The provisions of Article 32 – Furlough and Severance will continue to apply to pilots on SLOA's and supersedes the terms of this LOU.
- L68.02 The SLOA application window closes on September 30, 2008. Late applications may be considered on a case-by-case basis. Pilots may apply in writing by submitting the SLOA Application Form to their Manager of Line Operations with a copy to the Association. Pilots who apply for a SLOA and are denied shall be advised in writing with a copy to the Association.
- L68.03 Pilots on leave will not be forced to return to active duty prior to the conclusion of their approved SLOA. A pilot who wishes to terminate his SLOA early and return to active status shall be returned within 90 days of notifying the Company in writing that the pilot wishes to terminate the SLOA. If a CMSC Review closes during the ninety (90) day period, and the pilot has not returned to active status, the pilot will have the opportunity to change his declared position by using the SPB system and he shall be awarded a position by the CMSC in accordance with the applicable provisions of this LOU. Applicable training will be scheduled as soon as practicable.
- L68.04 A pilot returning from a SLOA shall be returned in accordance with the provisions of Article 25.15.03.02 and 25.15.03.03 except as provided for in L68.05, L68.06 and L68.07. No pilot will be forced off a base as a direct result of a pilot returning from a SLOA who elects to assume a position awarded to a more junior pilot.
- L68.05 A pilot's awarded position (APOS), as of the date his leave commences, shall be considered his declared position.

A pilot on a SLOA will have the opportunity to change his declared position prior to any CMSC Review Bid closing date by using the SPB system. At the close of the Bid Review, the CMSC will determine if a pilot's declared position has changed. The Company will publish a list of each pilot's declared position within 30 days after the publication of the Pilot Position Assignment List. The list shall be posted on the Flight Operations web site (myacops) and Aeronet.

A pilot on an SLOA who does not have the seniority to hold his declared position will acquire and maintain a reinstatement right (RIR) in accordance with Article 25.08 to that position if an 'active pilot,' who is junior to him, receives an RIR to the same position on the same CMSC Review.

- L68.06 The pilot's declared position shall be considered by the CMSC to determine which position the pilot is entitled to in accordance with Article 25.15.03.03. When determining which position a pilot is entitled to upon his return from SLOA under Article 25.15.03.03, the CMSC may also consider assigning a reinstatement right in accordance with Article 25.08 to a position his seniority would have entitled him to.
- L68.07 In the event a pilot, returning from a SLOA, is entitled to and is awarded a position on any new equipment (as per Article 13 including, the B-787) and his scheduled return date is prior to the commencement of his normal training date as determined by the CMSC, the pilot shall become active upon his return and shall be paid his daily average flying pay for the three block months including overseas and Nav pay immediately prior to his SLOA plus any negotiated increases. The Company may offer to train the pilot to another position which will be determined by the CMSC. If the pilot accepts, he shall be trained to the position but he shall be paid the rate of the position immediately below his declared position, in accordance with Article 25.01.02, and will remain in this position until he is trained, which shall be determined by the CMSC, to his declared position. If the pilot elects not to be trained to another position, the pilot's SLOA shall be extended under the provisions of this LOU until the commencement of his training date to his declared position as determined by the CMSC.
- L68.08 Notwithstanding the provisions of Article 22 – Seniority, a pilot shall continue to accrue seniority during the SLOA.
- L68.09 A pilot shall continue to accrue Company service during a SLOA except for the purpose of pay progression, pension and vacation entitlement. Vacation credits will not accrue during the period of the pilot's Leave of Absence. In accordance with the provisions of Article 18.02, entitlement for vacation periods with pay for the calendar year following the Special Leave of Absence shall be prorated as a result of such leave. Any outstanding vacation not taken before the end of the vacation year (April) will be paid at the end of the vacation year.
- L68.10 Coverage under the Group Employee Benefit Programs excluding GDIP, for which the company pays the full cost of the premiums, shall continue during the period of the leave with the Company paying the full cost of the premiums. Coverage under the Group Employee Benefit Programs for which the pilot pays all or part of the cost of the premiums will be continued at the pilot's option. Participation in another employer benefit program must be coordinated with Air Canada's benefit provisions, with the new employer's benefit provisions taking precedence. Pilots will be advised as to the cost and procedure to follow should they elect to continue such coverage.
- L68.11 Pilots who become eligible for GDIP benefits following their return to active service from SLOA and who have not completed 3 full block months of active service following their return from SLOA, will have GDIP benefits calculated as if the pilot had not been on SLOA.

L68.12 A pilot who takes a SLOA may elect to buy back service in respect of such period of leave up to an aggregate maximum period of five (5) years. Such period of buyback service will be subject to approval of the Canada Revenue Agency (CRA) and other government pension authorities. It is further agreed that such buyback of service shall be permitted, provided it does not result in a cost to the Company based on the Age Based Table in force at the time of the pilot's application to buy back pension service plus any applicable interest associated with any repayment option. The Company and ACPA recognize that there are provisions within each pension plan and that such provisions may limit or preclude a full or partial buyback.

Pilots intending to buy back service must indicate their intent to do so within sixty (60) days after their return to payroll from their SLOA. However, the pilot will have the right to change his decision to elect to buy back service at any time prior to making any initial payment. If a pilot changes his decision he will be required to pay any administration fee.

Pilots entitled to buyback pension service pursuant to the provisions of LOU 53 and LOU 59, including any extensions of those leaves under Article 20, and pilots who were furloughed in 2003 and 2004, including those pilots who were granted LOAs and any extensions of those LOAs under Article 20 when they were recalled, shall be entitled to buy back pension service at a cost of "two times contributions" based on the pilot's salary at the time of the leave. Such period of buyback service will be subject to approval of CRA and other government pension authorities.

L68.13 Pilots on SLOA will be eligible for travel privileges in accordance with Company policy in effect as of July 29, 2008. This will include pass travel on Air Canada and Air Canada Jazz and Tier 3 carriers so long as commercial agreements exist between Air Canada and these airlines that include a provision permitting pass travel privileges.

L68.14 A pilot who commences this SLOA will have his sick bank decremented by one (1) day for each remaining month in the calendar year. A pilot on a Leave of Absence will not be credited with twelve (12) sick days at the beginning of the calendar year. A pilot returning from a Leave of Absence will have one (1) day deposited in his sick bank for each full month remaining in the calendar year.

L68.15 A pilot requesting a SLOA who is within ninety (90) days of completing his probationary period may request that his probation requirements be completed prior to the commencement of his planned SLOA. Requests must be submitted to his Manager of Line Operations in writing. Subject to scheduling and needs of the service, the Company will make its best effort to facilitate completion of all outstanding probationary requirements. Pilots with more than ninety (90) days remaining in their probation period will have their probation frozen upon commencement of a SLOA and will complete the outstanding portion of their probation upon re-qualification following their return to active status.

L68.16 A pilot on SLOA may be eligible to apply for any early retirement packages and voluntary severance packages subject to any eligibility terms and conditions of the package that may be offered by the Company or agreed to by the Company and the Association during the leave of absence program.

- L68.17 Upon return from a SLOA a pilot's training pay shall be based on his daily average flying pay (plus any negotiated wage increase applicable during his SLOA) during the previous three (3) block months or reserve MMG, whichever was greater, prior to the commencement of the leave.
- L68.18 Pilots on SLOA shall not have dues deducted during the leave. Deduction of union dues will resume when the pilot returns to active status following the leave.
- L68.19 If a pairing overlaps into the month of the commencement of the SLOA, the pilot shall be displaced from any flights in that pairing that precedes the calendar month that his SLOA commences and drop no credit for the remaining flights in that pairing.
- L68.20 The provisions of this LOU shall apply to any pilot currently on leave of absence pursuant to Article 20 and who applies to have his leave extended. The provisions will apply from the time his leave is extended.
- L68.21 It is understood that the above noted provisions are exceptions to the provisions of the Collective Agreement and are only amended to give effect to the terms contained therein. All other provisions of the Collective Agreement will apply for all other conditions.

It is agreed and understood that this LOU is for a specific and unique situation and, as such, will not in any way prejudice the Association or the Company's right(s) or position(s) in any other situation. Further, the Company and the Association agree this LOU will not be cited or used as a precedent to cover other situations.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this _____ day of August, 2008.

FOR: AIR CANADA

FOR: AIR CANADA PILOTS ASSOCIATION

LETTER OF UNDERSTANDING NO. 72

between
Air Canada
and
Air Canada Pilots Association (ACPA)

Re: Flight Data Analysis (FDA) Program

WHEREAS the provisions of Article 27.10 of the Collective Agreement requires the parties to design and implement a Flight Operations Quality Assurance (FOQA) Program, and

WHEREAS the parties desire to implement a Flight Data Analysis (FDA) program as part of a FOQA Program.

NOW THEREFORE the parties agree as follows:

L72.01 Preamble

- L72.01.01 Pursuant to the provisions of Articles 27.09 and 27.10 the Company and ACPA agree to cooperate in the use of Onboard Flight Data Recording Devices employed by the Company to capture flight data for the purpose of analyzing flight data to promote and enhance air safety.
- L72.01.02 Both parties acknowledge that, due to technological advances in systems and processes associated with a FDA Program, as well as the introduction of an iSMS Program, there exists the need to formalize flight data analysis protocols, procedures and understandings.
- L72.01.03 The primary purpose of the FDA Program is to enhance flight safety and training procedures. Secondary purposes may include measures to review and improve operational efficiencies (cost savings and cost avoidance) and to monitor aircraft and environmental factors.
- L72.01.04 The Company and ACPA acknowledge the sensitive nature of data used in the context of the FDA Program and have agreed to enter into this Letter of Understanding (LOU) to record the procedures to be adopted for the implementation of the FDA Program and the limitations upon, and conditions of use of, FDA data.
- L72.01.05 This LOU provides guidance on the FDA Program; outlines definitions; and, identifies data capture, use and reporting structures.
- L72.01.06 This LOU and its attachment have been entered into by mutual agreement between the parties pursuant to Articles 27.10.01 and .02. Either party may terminate this agreement by serving written notice on the other party that the LOU will terminate ninety (90) days from the date of the notice. This LOU and its attachment will cease at that time and the FDA Program will operate under the provisions of Article 27 of the Collective Agreement
- L72.01.07 The FDA Program is an internal joint Flight Safety initiative designed to improve and enhance the safety of Air Canada operations. Transport Canada has not provided specific guidance or regulatory direction regarding FDA Programs and, therefore, shall not have any access to the Air Canada/ACPA FDA Program unless agreed to by the parties.
- L72.01.08 The purpose of this LOU is to give effect to the provisions set out in Article 27. The provisions of Article 27 shall take precedence in the event of any dispute arising from this LOU.

L72.02 Definitions

In this Letter of Understanding, unless the contrary intention is expressed or the context suggests otherwise:

- L72.02.01 Confidential information means all information derived under the FDA Program and includes all information:
- disclosed (whether orally, in writing or in any other form) by the parties to each other; or
 - learned from each other by the parties in the performance of this LOU and which the parties ought reasonably know is treated by each other as confidential; or
 - generated by the parties based on or arising out of any such disclosure or learning.
- L72.02.02 FDA ACPA Fleet Representatives means the person(s), specifically Non-Management ACPA Line Pilot(s) or retired pilots, who are qualified and experienced on the respective FDA Fleet, nominated for the purposes of this LOU by ACPA's Technical Safety Department (TSD) and respective FDA Committees.
- L72.02.03 FDA Team means the ACPA Gatekeepers, the FDA Specialist and the Manager FDA, as well as additional staff as may be hired or added to the team, that form the core of the program and are employed in the day-to-day operation of FDA.
- L72.02.04 Flight crew means pilots employed by the Company.
- L72.02.05 Raw data means the binary data, including encrypted binary data for Quick Access Recorders (QARs), stored on an original recording media which includes, but is not limited to, QARs, Digital Flight Data Recorders (DFDR) and on-board servers. These media include any mechanisms that may be employed in the future to capture and transmit flight data from the aircraft to ground based stations via wireless or other means of transmission.
- L72.02.06 FDA (aggregate) data means data derived from raw data which is used in the context of the FDA Program and includes any or all of the following:
- Flight data – this is de-identified data derived by ground station analysis of the raw data that is used in the context of the FDA Program and includes, but is not limited to transcriptions, listings, graphical plots, computer files and animations;
 - Identification data – this is any information used either collectively or individually to assist in the disclosure of the identity of a particular flight. This information may include, but is not limited to, aircraft registration, flight number, date, time; and
 - Identified data – this is information containing details of both Flight data and the associated Identification data.
 - FDA Events means the events derived from parameters, as agreed between the parties from time to time, for the purpose of the FDA Program
 - FDA Limits means the range of acceptable operational boundaries, as agreed between the parties from time to time, applying to FDA events.
 - FDA Occurrence means an exceedence of FDA limits. These FDA limits are further divided into three levels; Info, Detect and Alert.
- L72.02.07 Gatekeeper means the person or persons whom the ACPA Master Executive Council (MEC) selects that will have sole access to, and be able to retrieve, identifying data. The Gatekeeper is an active and integral member of the FDA Team, is responsible for the completion of pilot analysis of FDA data and performs a critical role in managing and coordinating any FDA investigation.

Requirements

- L72.03 ACPA and the Company will cooperate in the implementation and execution of the FDA Program, as required under the provisions of Article 27 of the Collective Agreement and the terms and conditions in this LOU.
- L72.04 FDA data shall not be used outside the FDA program except by agreement of both parties.
- L72.05 The parties specifically acknowledge and agree that FDA data is confidential information and must at all times be managed using processes as agreed between the parties that do not allow for the identification of flight crew .
- L72.06 The provisions of Article 27 regarding the use of FDA data shall apply.
- L72.07 Releasing FDA data for specific purposes:
- L72.07.01 Where FDA occurrences have been detected:
- (a) De-identified flight data in the form of reports may be released for review within the Company;
 - (b) Identification data may be released to the appropriate FDA ACPA Fleet Representatives by the ACPA Gatekeeper but only as part of an FDA investigation.
- L72.07.02 Where no FDA occurrences have been detected, ACPA may permit de-identified FDA data to be released for the purpose of enhancing air safety, technical knowledge, safety awareness and flight training.
- L72.07.03 Notwithstanding any other provisions in this LOU, de-identified FDA data may only be released to third parties if both parties agree to such release. Such agreement will be coordinated at the ACPA Gatekeeper/Manager FDA level;
- L72.07.04 Where FDA data indicates that an aircraft has been operated outside the manufacturer's performance limitations, de-identified data may be released by the FDA Department to Air Canada Maintenance for maintenance purposes in the interests of flight safety; and
- L72.07.05 De-identified aggregated data may be used by the Company to support unique studies, such as airframe fatigue studies by competent authorities; may be sold to support industry requirements, such as brake wear data; or, may be used to leverage Air Canada positions in contracts and arrangements, such as providing aircraft performance data for new fleets or specific engine types. In all cases, the Company will require the agreement of ACPA before the de-identified aggregated data is used and the provisions and protections detailed in Article 27 of the collective agreement and this LOU will continue to apply to the use of this data.
- L72.08 Except for initial data subject to Gatekeeper review for a period of up to 21 days, or other data so directed to be protected by the Gatekeeper, all FDA data must be de-identified.
- Following completion of ground station analysis, de-identified FDA data may be retained for not more than 13 months unless there is an FDA occurrence which becomes the subject of investigation or inquiry in which case the FDA data may be retained for the period required for the purpose of assisting the investigation or inquiry. Notwithstanding the foregoing and subject to agreement by ACPA, specified de-identified FDA data may be retained for the purpose of enhancing flight safety.
- L72.09 Policies and investigative processes under the FDA Program will be the policies and investigative processes agreed between the parties from time to time.

L72.10 An FDA Review Panel will be convened at a time and under circumstances determined by the Director Flight Safety and agreed to by the ACPA Gatekeeper. Failing agreement between the Director Flight Safety and the ACPA Gatekeeper, a meeting of the FDA Review Panel shall be convened as soon as practical.

L72.11 Release of the name of any crew member under the FDA Program is considered a serious FDA matter. The release of any information that identifies a crew member to any person or Agency beyond those permitted under this LOU or the FDA Agreement would be a breach of the FDA Policy and will be addressed in a manner commensurate with the seriousness of the disclosure.

Notwithstanding the above, the identity of a flight crew member may be disclosed by the ACPA FDA Gatekeeper to the ACPA Pilot to Pilot (P2P) Consultant or the ACPA P2P Chair or Vice Chair under the terms of the P2P Program. Such action must only be taken when the investigative process, as defined in the FDA Program, determines that some specific follow-up action should take place, such as a flight crew member is identified to receive remedial training but is unwilling or unable to cooperate.

Any information obtained on a crew member during the FDA Program shall remain confidential and shall not be used in any disciplinary, arbitration or any other hearing where the performance of the crew member is being reviewed.

L72.12 Where individual flight crew members are involved in multiple investigations under the FDA Program, they will be subject to the FDA Multiple Investigations Policy as agreed between the parties from time to time.

L72.13 With respect to FDA reporting, the parties agree that:

L72.13.01 FDA statistical information will be reported to all pilots as well as Flight Operations, Corporate Safety Management and ACPA Technical Safety Division (TSD) on a regular basis; and

L72.13.02 Where the FDA Program indicates an undesirable trend affecting flight safety, de-identified flight data may be used to raise flight crews' awareness of the relevant issues. Tools such as charts, depictions, briefings and FDA animations may be employed for this purpose. Additional options will be explored to disseminate FDA information including the use of a secure area on the ACPA FDA Website.

L72.14 The location and security of FDA data and associated processing equipment will be as approved by ACPA. FDA is subject to no-notice security checks as deemed to be required by ACPA for the purpose of verification and audit. Such checks, beyond those already mandated in the Managed Services Contract for FDA with Teledyne, will be conducted at ACPA's expense.

L72.15 If FDA data is required to be transmitted electronically to persons agreed between the parties, Identification data will never be provided with this information.

L72.16 Approval of Company and ACPA FDA personnel

L72.16.01 The appointment of any person specifically employed by the Company to handle FDA processes must meet with ACPA's approval; such approval will not be unreasonably withheld; and

L72.16.02 The appointment of any Pilot to the position of Gatekeeper must meet with the Company's approval; such approval will not be unreasonably withheld.

L72.17 With respect to raw data, both parties acknowledge the limitations imposed by the International Civil Aviation Organization (“ICAO”) following an aircraft accident, in Annex 13 to the Convention on International Civil Aviation in the ICAO document titled “*International Standards and Recommended Practices – Aircraft Accident Investigation*”, or any limitations imposed under applicable international law.

L72.18 In connection with their responsibilities under the FDA Program, FDA Fleet Representatives and Gatekeepers will be scheduled and paid in as accordance with Annex ‘A’ to this LOU.

L72.19 Failure of the Company or ACPA to provide the agreed upon resources to adequately support the FDA Program, as contemplated in the FDA Operations Manual, will, subject to any agreement between the parties otherwise, terminate the FDA Program at Air Canada.

L72.20 Indemnification of FDA Members

The Company agrees to extend the hold harmless and indemnification provisions of Article 34.07 of the collective agreement so as to include in the definition of a “pilot’s performance of his duties”, as referred therein, the pilot’s performance of his/her duties as an ACPA FDA Gatekeeper, ACPA FDA Fleet Representative or any other ACPA FDA Pilot Representative.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this 29th day of July, 2005.

FOR: AIR CANADA

(original signed by Capt. M. Downey)

FOR AIR CANADA PILOTS ASSOCIATION

(original signed by Capt. J. Scott)

ANNEX 'A' to LOU 72

Re: Provision for ACPA FDA Pilot (Gatekeeper and Fleet Representative Compensation and Support)

L72-A.01 Guiding Principle .

It is recognized that the FDA Program cannot properly function without ACPA FDA Pilots (e.g. Gatekeepers and Fleet Representatives). The goal of this agreement is to provide stable, long-term ACPA FDA Pilot support.

L72-A.02 Defining FDA Gatekeeper Work

- L72-A.02.01 Association Gatekeeper work, structure and responsibilities are defined in the main body of the LOU and the FDA Agreement;
- L72-A.02.02 The pay and working conditions set out in Article 21 of the collective agreement for ACPs and AFIs will apply to ACPA Gatekeepers.
- L72-A.02.03 There will be ongoing requirements to attend industry-sponsored conferences and Vendor training sessions necessary for skill and knowledge development and maintenance. Attendance will be approved and supported by the Director of Flight Safety.

L72-A.03 Traveling arrangements plus expenses

- L72-A.03.01 Company FDA Business will be on a PY1/J05 basis;
- L72-A.03.02 Routine expenses, such as meals, accommodations and travel in support of the FDA Program will be paid by the Company; and
- L72-A.03.03 Single-event expenses, such as training courses, conferences or special meetings, will be paid by the Company, in coordination with, and approved by, the Director of Flight Safety.

L72-A.04 Administrative issues

- L72-A.04.01 Should an ACPA FDA Gatekeeper agree to work during vacation, his vacation will be rescheduled to a time mutually agreed between the Gatekeeper and the Company. Unused vacation days shall not be carried forward to subsequent years;
- L72-A.04.02 The Manager FDA will, with the assistance of the Gatekeepers, track FDA ACPA Gatekeeper workdays and maintain this record for review should it be required;
- L72-A.04.03 The Manager FDA and Gatekeepers understand that the flying requirements, as reasonably planned by the Company, must have priority when pilot resources are critical. In a No Pilot Available (NOPA) situation, ACPA Gatekeepers may be released from FDA duties to meet crewing requirements;
- L72-A.04.04 Flying will be arranged with Crew Scheduling in the following order; NOPA, supervisory flying, open time flying, displacement flying for competency.

L72-A.05 Gatekeeper Support

- L72-A.05.01 The FDA Program will provide the Gatekeepers with required IT and computer resources to support FDA duties. Support for these items will be provided through the FDA office in Toronto; and
- L72-A.05.01 Gatekeepers will procure office supplies and expendables, such as printer cartridges and paper, and use the expense claim process for re-imbusement.

L72-A.06 Gatekeeper Work Location

- L72-A.06.01 The IT structure of the FDA Program is designed to permit offsite work and support for the program. Given this flexibility and capability, and in recognition of the need to minimize costs and expenses where practical, the work location for Gatekeeper staff will be dictated by the needs of the Program. The Gatekeeper and Manager FDA will coordinate Gatekeeper schedules and work together to ensure the needs of the program are met. The use of voice-over-internet protocols, high speed internet, remote server applications and FTP sites will limit the requirement for the presence of the Gatekeepers onsite in Toronto; and
- L72-A.06.02 Gatekeepers may have to travel to coordinate with FDA event pilots or complete FDA investigations. This will be a routine matter of coordination between the Gatekeepers and the Manager FDA.

L72-A.07 FDA Fleet Representatives

- L72-A.07.01 ACPA FDA Fleet Representatives' work, structure and responsibilities are defined in the main body of the LOU and the FDA Agreement ;
- L72-A.07.02 ACPA Fleet Representatives will be displaced from flying when required to perform FDA Fleet Representative's duties. For each day they perform these duties while on displacement, pilots shall receive the greater of:
 - (a) pay and flight time credit they would have received for their flying; or
 - (b) four hours fifteen minutes (4:15) pay and flight time credit;
- L72-A.07.03 ACPA Fleet Representatives shall receive four hours fifteen minutes (4:15) pay for each day while performing FDA Fleet Representative's duties on days off.

L72-A.08 Retroactivity

Any time already contributed to the FDA (or the former Flight Operations Quality Assurance (FOQA) Program) by former-ERT members from 01 January 2001 to the present shall be identified and compensated. The remuneration will either be in the form of cash and/or time credit at the Company's discretion and be paid at the rate of four hours and fifteen minutes (4:15) per day owed in accordance with the rates of pay currently in effect.

IN WITNESS WHEREOF, the parties have signed Letter of Understanding this day 29th of July this month, 2005.

FOR AIR CANADA
(original signed by Capt. M. Downey)

FOR AIR CANADA PILOTS ASSOCIATION
(original signed by Capt. J. Scott)

LETTER OF UNDERSTANDING NO. 73

**between
Air Canada (“the Company”)
and
Air Canada Pilots Association (ACPA)**

WHEREAS the Company and ACPA (“Parties”) have agreed to amend the Agreement with respect to the matters set out in this Letter of Understanding (LOU);

WHEREAS the Company and ACPA agree to make a joint submission to Transport Canada for an exemption to the 10-hour duty day restriction for Pilots on Reserve contacted and/or assigned during the designated rest period on augmented flights;

WHEREAS the Parties agree that the changes required by this LOU will be implemented as soon as practicable following August 1st 2012;

NOW THEREFORE the Parties agree as follows:

1. To work together to conduct a risk assessment and develop mitigating strategies that will provide an equivalent level of safety to the current CARs language and are acceptable to both parties.
2. Once both parties have approved the risk assessment and mitigating strategies, they will jointly approach Transport Canada with the exemption request.
3. When the exemption is approved, ART 29.03.09 will continue to apply for a two man crew and the mitigating strategies agreed to by the parties and any other requirements in the CARs exemption required by Transport Canada will apply for augmented crews.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this _____th day of _____.

AIR CANADA

AIR CANADA PILOTS ASSOCIATION

LETTER OF UNDERSTANDING NO. 74

**between
Air Canada
and
Air Canada Pilots Association**

Low Cost Carrier (LCC) Work Rules & Conditions

Preamble

In the context of Air Canada's announced intention to launch a new Low Cost Carrier (hereinafter called the "LCC"), Air Canada and ACPA wish to establish a labour relations structure covering the pilot employees of the LCC. While it is recognized that the full scope and details of the terms and conditions governing the LCC cannot be realistically contained in this LOU, the following work rules and conditions are embodied herein.

A LCC Joint Committee (LCCJC) will be established to review and resolve issues that arise concerning the terms and conditions, including transition, governing the LCC. The joint committee will be comprised of Pilots who hold Positions at the LCC and LCC management.

Recognition

It is agreed that the LCC will be and will continue to be a Specialty Company. Accordingly, the pilots employed by the LCC will be Air Canada Pilots represented by ACPA within the bargaining unit covered by the Air Canada – ACPA Collective Agreement as outlined in this Letter of Understanding. The pilots will be on the Air Canada Pilots' System Seniority List. The provisions of the Air Canada – ACPA Collective Agreement apply to the LCC, except as amended by the following provisions and any other terms and conditions agreed to by Air Canada and ACPA.

The following articles in the Air Canada – ACPA Collective Agreement will not apply:

Art 7.16 to Art 7.19 Onerous pairings will be handled through the LCCJC. If a resolution cannot be agreed to, Art 7.16 to Art 7.19 will apply.	Art 26
Art 11. (except for Art. 11.01.01, Art 11.01.02 and Art 11.01.06)	Art 27
Art 12.04	Art 28
Art 13 (except for Art 13.01) CPs, Fls and PPs will be paid the greater of 80 hours or block credits, plus a 12% override on appropriate duty credits.	Art 29
Art 14	Art 30
Art 19.03	Art 31.03 and Art 31.04
Art 23.01.01 and Art 23.01.06	Art 32 (except for 32.01.02)
Art 24	Art 33
Art 25 (except for Art 25.07)	

L74.01 Scope:

- L74.01.01 The mandate of the LCC will be limited to the market segment seeking low -cost air travel. The LCC is not intended to replace mainline routes the Company considers financially viable. The LCC's success and viability depend on the parties' ability to fulfill this mandate on a competitive basis.
- L74.01.01.01 Notwithstanding the above, operations on any other routes will be subject to mutual agreement between the Company and ACPA.
- L74.01.02 The LCC will be permitted to place its IATA designator Code on Air Canada and will maintain a standard inter-line agreement with Air Canada.
- L74.01.03 The LCC will be permitted to carry the AC or ACA Code or any other IATA designator code for Air Canada.
- L74.01.04 LCC may operate a maximum of 50 aircraft as follows:
 - L74.01.04.01 The initial startup of the LCC will consist of 4 B767's and 6 A319s net of the current AC fleet.
 - L74.01.04.02 30 A319's: 20 of which may be transferred from the 86 A319/320/321 mainline fleet as at November 2010 without being replaced at mainline.
 - L74.01.04.03 20 B767's: All of which may be transferred from the 30 B-767 mainline fleet as at November 2010 but must be replaced by equivalent or larger aircraft.
- L74.01.05 The consolidated annual block hours will not decrease below the 2010 mainline block hours of 798,133 as the result of the establishment and operation of the LCC.
- L74.01.06 If a mainline pilot is force reduced from his current Position as a result of the transfer of the 20 A319's from mainline to LCC, he will receive the hourly pay rates from the equipment he was force reduced from until he forfeits his RIR or he forgoes an opportunity to bid a higher paying Position on base, whichever occurs first.
 - L74.01.06.01 Should the pilot at his first opportunity be awarded the higher paying position, the protected hourly rate will continue until his AD.
 - L74.01.06.02 Once the transfer of the 20th A-319 has been reflected on a CMSC Review no additional pilot(s) can claim hourly pay rate substitution under this provision.
- L74.01.07 The LCC A-319 and B-767-300 aircraft will be configured on an all economy and/or premium economy seat basis.
- L74.01.08 85% of the total LCC A-319 ASMs and 85% of the LCC WB ASMs are ASM's flown at Air Canada by Air Canada Pilots for the purposes of the Collective Agreement.
- L74.01.09 The aircraft operated by the LCC will be counted as Air Canada mainline aircraft for the purposes of Art 1.10.02.03.

L74.02 Blocking System:

- L74.02.01 A Fair Share blocking system will be implemented.
- L74.02.02 NB Blocking window between 77.5 and 85 hours (may be increased beyond 85 hours with ACPA LCC Committee's approval). Target block average of 80 hours per month.
- L74.02.03 WB Blocking window between 77.5 and 85 hours (may increase to 90 hours).
- L74.02.04 Hours blocked above 82.5 hours will attract an overtime premium of 50%.
- L74.02.05 NB: Maximum 16 days worked parameter in the blocking system.
- L74.02.06 WB: Maximum 16 days worked parameter in the blocking system (may be increased beyond 16 days with ACPA LCC Committee's approval).

- L74.02.07 Definition of a day: between 02:00 and 02:00.
- L74.02.08 A pairing that was originally scheduled to end prior to 02:00 but ends after 02:00 due to IROPs or marketing changes will result in a pilot, who was scheduled to be on a day off, being credited with an additional duty day paid at 4.5 hours.
- L74.02.09 Special Days Off: Subject to Company approval, once per calendar year, a maximum of 4 days off may be blocked off in the blocking system to accommodate special events in a pilot's life.
- L74.02.10 Recurrent training credits are neither flight time limiting nor do they count towards the maximum days worked parameter, except that recurrent training greater than 2 days, including travel time, will have the days greater than 2 counted toward the 16 day limit.

L74.03 Duty Periods: as per CARs

L74.04 Scheduled Flying At Night (SFAN): A duty period that operates through 03:00 local time at the airport where the duty period commenced. Pairings created or modified by the Company will be planned using the following limitations:

- L74.04.01 For widebody flying, SFAN scheduled duty periods will not exceed 13 hours. Minimum scheduled rest period between SFAN duties will be 12 hours. SFAN duties to non-SFAN duties away from home base will have at least an 18 hour rest period. SFAN duties to non-SFAN duties at home base will have at least a 22 hour rest period.
- L74.04.02 For narrow body flying, SFAN scheduled duty periods will not exceed 12 hours. Regular duties to SFAN duties will have a 22 hour rest period preceding the SFAN duties. A pairing may contain no more than 3 consecutive SFAN duties. Following SFAN duties a Pilot will not be scheduled for flying until after 10:00 the following day.
- L74.04.03 A pilot may elect to waive the above rules in order to be awarded flying once the month has started.

L74.05 Augmentation:

- L74.05.01 Duty periods exceeding SFAN will require 1 augmentation CA or FO to a maximum of 15 hours. The existing flight relief seat on the all-economy configured 767-300 3YO aircraft will meet the requirement of an on-board crew rest facility.

L74.06 On Duty/Off Duty Start Times:

- L74.06.01 Prior to Departure – 1h15 (operating) / 45 mins. (deadheading)
- L74.06.02 After Arrival – 15 mins.

L74.07 Training Credits:

- L74.07.01 4.5 hours per day of training for transition and recurrent training.
- L74.07.02 Pilots on initial/transition training may be scheduled to work a maximum of 18 days in any scheduling months.

L74.08 Pairings

- L74.08.01 Max Scheduled Pairing Length: 5 days (NB) / 7 days (WB)
- L74.08.02 The number of NB 5 day pairings shall not exceed 15% of the total pairing list, without ACPA LCC Committee's consent.

L74.09 Crew Rest

- L74.09.01 Layover:

- L74.09.01.01 10 hour minimum off duty (9 hours hotel arrival to hotel departure) but not less than the previous duty period.
- L74.09.01.02 Pairings that commence in the Mountain or Pacific time zone that overnight east of the Eastern time zone shall be planned for at least 12 hours crew rest.
- L74.09.02 Home base: 11 hours minimum off duty.
- L74.09.03 In the event of IROPS and with the approval of the PIC, Crew rest periods may be reduced to CARS minima.

L74.10 Awarding of Open Flying: In order for LCC to maintain the scheduling system without traditional reserve, the LCC expects its Pilots will make themselves available to cover all open flying. Prior to the following steps, Pilots under L74.12 followed by Pilots under L74.13 will be assigned open flying.

- L74.10.01 Step 1: Pre Selection of Open Time (Greater than 48 hours out)
- L74.10.01.01 Open time prior to 48 hours before scheduled reporting time can be picked up by pilots on a first come, first served basis compensated at time and a half calculated at the greater of:
 - L74.10.01.01.01 4.5 hours per day; or
 - L74.10.01.01.02 Scheduled block hours per day; or
 - L74.10.01.01.03 Actual hours operated per day.
- L74.10.02 Step 2: Voluntary Overtime (Within 48 hours)
- L74.10.02.01 Pilots must show their names on a VO availability list and flying will be offered to the pilot with the lowest projected hours. Pay will be calculated as per STEP 1 above.
- L74.10.03 Step 3: Voluntary Reserve
- L74.10.03.01 When Voluntary Reserve is solicited by the Company, a pilot may list for voluntary reserve and it will be awarded on a first come first served basis.
- L74.10.03.02 Voluntary Reserve requires a pilot to be available for a call and to report within 2 hours of being called for duty.
- L74.10.03.03 There are two shifts:
 - L74.10.03.03.01 VR(A) provides a guaranteed rest from 23:00-07:00
 - L74.10.03.03.02 VR(B) provides a guaranteed rest from 11:00-19:00
- L74.10.03.04 The above hours may be adjusted on a fleet by fleet basis by mutual agreement with ACPA.
- L74.10.03.05 Guaranteed rest means Crew Scheduling will not disturb the pilot during that period.
- L74.10.03.06 Compensated at 4.5 hours per day (straight time) for each VR period where the pilot does not work.
- L74.10.03.07 If work is assigned, pay will be calculated as per STEP 1 above, except the rate will be double time.
- L74.10.04 Step 4: Draft
- L74.10.04.01 Draft will be done by electronic lottery.
- L74.10.04.02 A Pilot can only be drafted once per calendar year, for a maximum of 3 consecutive days. However, once drafted, a Pilot may elect to be re-listed on the draft eligibility list.
- L74.10.04.03 Pay will be calculated as per STEP 1 above, except the rate will be double time and a half (2.5).

L74.11 Reassignment: A Pilot may be assigned new flying in a month on a voluntary basis. If the total days worked for the new assignments are the same or less than the scheduled flying the pilot will be paid as per Pairing Credit Calculation. Days worked over the original scheduled amount will be credited as per normal VO rules and awarded in chronological order as per STEP 2 of the Open Time Awards.

L74.12 Schedule Modifications

- L74.12.01 When making modifications, Crew Scheduling will endeavor to maintain the original pairing end time. The acceptance of additional flights after original scheduled pairing end time is on a voluntary basis.
- L74.12.02 For European and Asian operations, modified flying must fall within +/- 6 hours of the start/end times of the original pairing. Acceptance of modified flying outside of these parameters will be on a voluntary basis.

L74.13 Return from Illness

- L74.13.01 A pilot is expected to call Crew Scheduling prior to 18:00 home base time to advise of his return from illness.
- L74.13.02 When a pilot books on prior to the end of his pairing, the Pilot will not be charged for further sick days and will lose the credit for flying not performed. For Open Flying awards, he will be given priority in accordance with L74.10 until he has recovered the lost flying.

L74.14 Displacement: A Pilot receives full compensation with the exception of meal costs.

L74.15 Deadheading – No credit for deadheading except as outlined under Pairing Credit Calculation. Pilots will be given positive space deadheads when traveling on a pairing.

L74.16 Trip Trade: A trip trade system will be implemented. Pilots will be paid for the hours they fly and no premiums and no guarantee will apply.

L74.17 Minimum Block guarantee of 77.5 hours straight time.

L74.18 Pairing Credit Calculation: Total credit for the pairing is the greater of:

- L74.18.01 original scheduled block hours
- L74.18.02 pairing rescheduled block hours prior to check in
- L74.18.03 pairing rescheduled block hours after pairing check in
- L74.18.04 actual credit hours

L74.19 Premium over 82.5 hours: Flying above 82.5 hours as a result of modifications to a pairing on day of, block growth, or hours blocked in the blocking system attract a 50% premium. This premium does not apply to flying awarded under the Open Time Award.

L74.20 Pay Rates

<i>Steps</i>	<i>CA B767</i>	<i>CA A319</i>	<i>FO B767</i>	<i>FO A319</i>
1	\$118.47	\$129.98	\$46.94	\$46.94
2	\$125.70	\$134.42	\$51.82	\$51.82
3	\$133.02	\$138.80	\$59.64	\$59.64
4	\$140.40	\$143.05	\$67.45	\$67.45
5	\$147.70	\$147.42	\$94.60	\$90.50
6	\$154.98	\$151.94	\$100.70	\$94.65
7	\$162.35	\$158.06	\$105.50	\$98.00

8	\$169.58	\$164.12	\$111.95	\$99.05
9	\$176.91	\$170.32	\$116.80	\$99.05
10	\$182.30	\$176.35	\$116.80	\$99.05
11	\$182.30	\$177.40	\$116.80	\$99.05
12	\$182.30	\$178.52	\$116.80	\$99.05

L74.20.01 Annual Wage Increases

L74.20.01.01 The rates in L74.20 will be increased according to the following:

<i>Effective Date</i>	<i>Increase</i>
August 1, 2013	3%
August 1, 2014	2%
August 1, 2015	2%

L74.21 Pilot Salary

- L74.21.01 Pilots will receive a cash advance on approximately the 1st banking day of each month.
- L74.21.02 The pay advance will be deducted from the subsequent pay cheque paid in the next month normally no later than the 17th day of that month.
- L74.21.03 A Pilot transferring from mainline to LCC will carry his years of service in Status to the new Position. A Pilot's years of service will be counted as FO Status for the purpose of this article.
- L74.21.04 When transitioning from First Officer to Captain at LCC a Pilot who has previous Captain service at Air Canada or LCC will carry his years of service in Status to the new Position.

L74.22 Bank

- L74.22.01 All credits above 85 hours will be placed in the Pilot's bank. Cash clear requests will be made prior to the 5th of the month. Credits above 50 hours will be automatically cash cleared. The negative bank will be capped at negative 13h30.
- L74.22.02 With Company approval, the Pilot may use positive bank as a blocking start credit.
- L74.22.03 A Pilot moving between mainline and the LCC will reconcile his bank to zero.

L74.23 Vacation / Statutory Holidays

- L74.23.01 For allotment of days – as per Air Canada – ACPA Collective Agreement.
- L74.23.02 Vacation awarding will be socialized.

L74.24 Sick Leave

- L74.24.01 A Pilot on sick leave who was awarded Open Flying outside of his Block will neither be charged for sick leave nor credited for such flying.

L74.25 Personal Day (PD) – Unpaid, therefore must use bank time.

L74.26 Satellite Bases – With the consent of ACPA, a satellite base system LOU may be developed.

L74.27 Equipment Assignment and Status:A pilot transferring to or from the LCC, will be considered an employee of the other Company on the first day of training. He will be paid in accordance with Art 20.09. Article 20 of the ACPA – Air Canada Collective agreement applies with the following changes:

L74.27.01 Categories and Groups

Captain Category			First Officer Category			Relief Pilot Category		
Group	Equip-Status	Rating	Group	Equip-Status	Rating	Group	Equip-Status	Rating
WC	B-777 C	1	WF	B-777 FO	9	RP	B-777 RP	17
	B-787 C	2		B-787 FO	10		B-787 RP	18
	A-330 C	3		A-330 FO	11		A-330 RP	19
	B-767 C	4		B-767 FO	12		B-767 RP	20
A-320 C	5	A-320 FO		13				
NC	LCC B-767 C	6	NF	LCC B-767 FO	14			
	LCC A-319 C	7		LCC A-319 FO	15			
	EMJ C	8		EMJ FO	16			

L74.27.02 Course Rights

L74.27.02.01 A Pilot who moves from LCC to mainline or from mainline to LCC with the same aircraft type-Status will not be charged a course right. He will be frozen from returning to his previous Position for 24 months following the Closing Time of the associated Bid Award. The freeze will not apply to a Pilot should he be Force Reduced in accordance with Article 20.08.08.

L74.28 Seniority – A pilot transitioning to LCC will maintain his seniority number on the Air Canada system seniority list.

L74.29 Probation: For New Hire Pilots – as per mainline. Newly upgraded Captains (no Captain experience at mainline or LCC) will be on probation for the first 6 months from the date of the successful completion of his OE (line check). This period is to assess the successful transition to the new status. Should the Pilot be unsuccessful, Art 21.03 will apply. Pilots that have successfully completed their Captain probation period will not be required to complete Captain Upgrade Training when awarded a mainline Captain Position.

L74.30 Meal Expenses/Per Diems

L74.30.01 As per mainline rates and process.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this _____th day of _____.

FOR: AIR CANADA

FOR: AIR CANADA PILOTS ASSOCIATION

LETTER OF UNDERSTANDING NO.75

between
Air Canada
and

Air Canada Pilots Association

Elimination of Mandatory Retirement

Preamble

In order to comply with Canadian human rights laws and with ICAO Standards, the Collective Agreement is amended to accommodate Pilots working past age 60 after Dec 15, 2012 as follows:

L75.01 Pilots Flying Past Their 60th Birthday:

- L75.01.01 On any CMSC Reviews following a Pilot's 59th birthday, he must bid and will only be awarded a Position that includes one of the following Equipment Statuses:
- L75.01.01.01 All aircraft – Captain
- L75.01.01.02 Any narrow body aircraft – First Officer
- L75.01.01.03 All aircraft – Relief Pilot
- L75.01.02 The Pilot will not be allowed to fly any Equipment Status not listed in L75.01.01 in the block month that they turn 60 years of age and thereafter with the exception of a pilot that plans to retire at the end of the block month during which they turn 60.
- L75.01.03 A Pilot who bids to a lower-paying Position to comply with L75.01.01 will keep the rate of pay associated with his earlier QPOS until the end of the block month that he turns 60 years of age, at which time he will begin being paid as per his new APOS.

L75.02 Pilots Flying Past Their 65th Birthday

- L75.02.01 On any CMSC Reviews following a Pilot's 64th birthday, he must bid and will only be awarded a Position that includes one of the following Equipment Statuses:
- L75.02.01.01 Any narrow body aircraft – First Officer
- L75.02.01.02 All aircraft – Relief Pilot
- L75.02.02 The Pilot will not be allowed to fly any Position that includes an Equipment Status not listed in L75.02.01 in the block month that they turn 65 years of age and thereafter.
- L75.02.03 A Pilot who bids to a lower-paying Position to comply with L75.02.01 will keep the rate of pay associated with their earlier QPOS until the end of the block month that they turn 65 years of age, at which time he will begin being paid as per his new APOS.

L75.03 Bumping

- L75.03.01 A Pilot bidding to change Position under L75.01 and L75.02 does not require a vacancy in order to be awarded a new Position, which may result in other pilots, currently APOS in the new Position, being force reduced.
- L75.03.02 A Pilot awarded a new Position when moving under L75.01 and L75.02 who has an applicable Course Right will be deemed to have used the Course Right in the move. A Pilot without any applicable Course Rights will still be moved.

- L75.03.03 If a Pilot is force reduced and is past their 59th birthday, they will be restricted to being awarded Positions that include the Equipment Statuses listed in L75.01
- L75.03.04 If a Pilot is force reduced and is past their 64th birthday, they will be restricted to being awarded Positions that include the Equipment Statuses listed in L75.02.
- L75.03.05 Any Pilot without sufficient bid lines on his SPB to comply with L75.01 will be deemed to be bidding to hold the highest rated Position, in their current APOS Status, on his Base that complies with L75.01.
- L75.03.06 Any Pilot without sufficient bid lines on his SPB to comply with L75.02 will be deemed to be bidding to hold the highest rated Position on his Base that complies with L75.02.

L75.04 Pay in Lieu – Article 20.09.09 is replaced by:

- L75.04.01 A Pilot who is in his last 12-30 months of service prior to his 60th birthday as of the Closing Time of an associated CMSC Review may be frozen from the award of any vacancy or reduction to a Position that includes the Equipment Statuses that are not listed in L75.01.
- L75.04.02 A Pilot who is in his last 12-30 months of service prior to his 65th birthday as of the Closing Time of an associated CMSC Review may be frozen from the award of any vacancy or reduction to a Position that includes the Equipment Statuses that are not listed in L75.02.
- L75.04.03 A Pilot who is restricted in accordance with L75.04.01 or L75.04.02, from a Position which they would have otherwise held, will be paid hour for hour at the greater of the rates on their current Position effective with the activation date the Pilot would have received had the Pilot not been denied training, if:
 - L75.04.03.01 for a Pilot who is denied an award in accordance with L75.04.01 , their SPB which was valid for all CMSC Reviews during the period of 12-30 months prior to his 60th birthday for which the pilot was considered active, has not been changed.
 - L75.04.03.02 for a Pilot who is denied an award in accordance with L75.04.02 their SPB which was valid for all CMSC Reviews during the period of 12-30 months prior to his 65th birthday for which the pilot was considered active, has not been changed.
- L75.04.04 The pay rates from L75.04.03 will begin at the soonest of:
 - L75.04.04.01 the activation date the pilot would have received had the pilot not been denied, or
 - L75.04.04.02 in accordance with the first applicable condition as follows:
 - L75.04.04.02.01 the earliest qualification or activation date of any pilot junior to them currently qualified in the same position and requiring the same training who was awarded, (on the same bid award), the same position as that denied;
 - L75.04.04.02.02 the earliest qualification or activation date of any pilot junior to them currently qualified in the same position who required training and was awarded, (on the same bid award), the same position as that denied;
 - L75.04.04.02.03 the earliest qualification or activation date of any pilot junior to them who required training and was awarded, (on the same bid award), the same position as that denied;
 - L75.04.04.02.04 the earliest qualification or activation date of any pilot junior to them who was awarded, (on the same bid award), the same position as that denied.

- L75.04.05 Pay as described above in L75.04.03 will continue until such time as the Pilot fails to indicate a preference for such Position on his SPB or the Pilot's seniority does not otherwise entitle him to hold the associated Position, (i.e. pay will be discontinued when there are no Pilots junior to such Pilot who are assigned or qualified in the associated Position) or the end of the block month which contains his 60th birthday (for case governed by L75.04.01) or the end of the block month that contains his 65th birthday (for cases governed by L75.04.02), whichever occurs first.

L75.05 Notice of Intent to Retire

- L75.05.01 Pilots will notify Air Canada in writing of their intent to retire 12 months prior to the planned retirement date.
- L75.05.02 Pilots who comply with L75.05.01 and who complete their last 12 months without going on GDIP or without using more than 8 sick days will be given a retention bonus of 40 hours of pay ½ Day ½ Night as part of their final pay cheque.
- L75.05.03 Pilots who do not comply with L75.05.01 will not receive disbursements from the Supplemental Pension Plan until 12 months following the date of notification.

L75.06 Days Off Prior To Retirement

- L75.06.01 Pilots will not normally be scheduled to fly in the two calendar days immediately prior to their retirement date.

L75.07 GDIP

- L75.07.01 Article 16.06.01.04 is amended to read: "the date on which he is entitled to receive the benefits provided by the pension plan without adjustment by reason of early retirement."
- L75.07.02 Article 16.08.07.01 is amended to read: "All benefits will cease for all employees on the date on which he is entitled to receive the benefits provided by the pension plan without adjustment by reason of early retirement."

L75.08 Vacation

- L75.08.01 Article 19.08.01 is amended to read: "Pilots retiring in the next vacation year must bid at least a prorated vacation entitlement based on the number of calendar months remaining in the year from May 1st to his retirement date."

L75.09 Scheduling Conflicts

- L75.09.01 If, to avoid having two Pilots fly together who are both 60 years of age or older, the Company must substitute another Pilot under the age of 60 as a replacement for one of the other Pilots, then the Company shall select the Pilot to be replaced at its discretion but will ordinarily replace the First Officer and not the Captain.
- L75.09.02 The Company may, at its discretion, reschedule the Pilot who has been so replaced in the same block month to make up all or part of the hours not worked because of the substitution.

L75.10 Implementation

- L75.10.01 Pilots whose 60th birthday falls in the period from December 1st, 2012 to August 31, 2013 (inclusive) will be approached by the CMSC and asked if they intend to retire on or before September 1, 2013.
- L75.10.01.01 If the answer is "yes", they will be posted off on the next CMSC Review (or remain posted off if they had previously been posted off) and L75.05.03 will not apply to them; however, L75.05.02 will apply to them.

- L75.10.01.02 If the answer is “no”, they will not be posted off on the next CMSC Review, or if already posted off, will be posted back on, and then this LOU, including L75.05, will apply to them.
- L75.10.02 Any other Pilot who wishes to retire after December 1, 2012 but on or before September 1, 2013 who so advises the Company in writing on or before August 24, 2012 will not be subject to L75.05.03; however, L75.05.02 will apply to them.

L75.11 Changes to the ICAO Standards

- L75.11.01 If the ICAO rule requiring that pilots over 60 years old fly only with pilots younger than 60 is eliminated, then:
 - L75.11.01.01 the following provisions will no longer apply: L75.01, L75.03.03 and L75.04.01; and
 - L75.11.01.02 L75.02.01 will be modified to include all FO and RP Positions.
- L75.11.02 If the ICAO rule requiring that pilots over 60 years old fly only with pilots younger than 60 is amended to substitute a different age for age 60 that is less than 65, then:
 - L75.11.02.01 The references to age 60 in this LOU shall be amended to refer to the age referred to in the amended ICAO rule.
 - L75.11.02.02 The references to age 59 in this LOU shall be amended to refer to one year less than the age referred to in the amended ICAO rule.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this _____th day of _____.

FOR: AIR CANADA

FOR: AIR CANADA PILOTS ASSOCIATION

LETTER OF UNDERSTANDING NO.76

**between
Air Canada
and
Air Canada Pilots Association**

Implementation of Course Rights Based Pilot Position Assignment System

Preamble

As a result of changes to Article 20 introducing a course rights based Pilot Position Assignment system the following is agreed to for the sole purpose of initial implementation:

L76.01 Allocation of Course Rights

L76.01.01 Prior to the first CMSC Review after the 2011 collective agreement comes into force, a pilot whose QPOS is:

L76.01.01.01 in a WC group will be granted:

- 1 unrestricted course right.

L76.01.01.02 A320 C will be granted:

- 1 unrestricted course right; and
- 1 restricted course right to a position in the WC group.

L76.01.01.03 EMJ C will be granted:

- 1 unrestricted course right; and
- 1 restricted course right to either a position in the WF group or an A320 C position; and
- 1 restricted course right to a position in the WC group.

L76.01.01.04 in a WF group will be granted:

- 1 unrestricted course right; and
- 1 restricted course right to a position in the NC group; and
- 1 restricted course right to a position in the WC group.

L76.01.01.05 A320 F will be granted:

- 1 unrestricted course right; and
- 1 restricted course right to a position in the WF group; and
- 1 restricted course right to a position in the NC group; and
- 1 restricted course right to a position in the WC group.

L76.01.01.06 EMJ F will be granted:

- 1 unrestricted course right; and
- 1 restricted course right to an A320 F position; and
- 1 restricted course right to a position in the WF group; and
- 1 restricted course right to a position in the NC group; and
- 1 restricted course right to a position in the WC group.

L76.01.01.07 RP group will be granted:

- 1 unrestricted course right and;
- 1 restricted course right to a position in the NF group; and
- 1 restricted course right to a position in the WF group; and
- 1 restricted course right to a position in the NC group; and
- 1 restricted course right to a position in the WC group.

L76.02 Irregularities

This LOU and the Article 20 language document the principles that govern the course rights system. In order to not unfairly advantage or disadvantage any pilot whose APOS or QPOS situation was unforeseen at the time of the signing of this LOU, irregularities will be addressed by the CMSC on a case-by-case basis.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this _____th day of _____.

FOR: AIR CANADA

FOR: AIR CANADA PILOTS ASSOCIATION

LETTER OF UNDERSTANDING NO.77

**between
Air Canada
and
Air Canada Pilots Association**

The present Letter of Understanding ("LOU" or "Pension LOU") establishes the changes to the pension terms and conditions applicable to all Air Canada employees who are represented by the Air Canada Pilots Association (ACPA).

For the purpose of this LOU, Air Canada Pilots refer to members of the Air Canada Pension Plan – Pilots ("AC Pilots Plan") and CAIL Pilots refer to members of the Pension Plan for Air Canada Pilots formerly employed by Canadian Airlines international Ltd ("CAIL Pilots Plan").

Unless stated specifically otherwise, the changes to plan provisions described in this LOU apply to both the benefits payable under the Registered Pension Plans ("RPP") and to the benefits payable under the Supplemental Retirement Plans ("SRP") provided as per Article 17 of the collective agreement.

Benefit Changes for Air Canada Pilots and CAIL Pilots

Unless specifically stated otherwise, the amendments to RPP and SRP provisions described below shall be implemented on January 1, 2013 and effective for retirements, terminations and deaths occurring on or after January 1, 2014. Under the terms of the plans, "Retirement Date" means the first day of the month during which the Member retires. Therefore, for greater clarity, the amended provisions will affect pilots whose last day of work is in December 2013 and retire on January 1, 2014.

1) The following amendments to RPP and SRP provisions shall be implemented on January 1, 2013 and effective for retirements, terminations and deaths occurring on or after January 1, 2014.

a) *Pension formula:*

Current provisions: the pension formula is 1.5% (1.4% for service in the CAIL Pilots Plan prior to July 1, 2003) of the best average earnings up to the final average YMPE and 2.0% of that part of the best average earnings that exceeds final average YMPE. For periods on disability, pilots accrue pension at a full 2%.

Changes: no change to the pension formula.

b) *Employee Contributions and Cost Allocation*

Current provisions: Basic member's contributions are calculated as 4.5% of that part of member's compensation up to the YMPE and 6.0% of that part of his compensation in excess thereof. The maximum basic contribution to the RPP and SRP combined is limited to three times the maximum pension unit for the given calendar year. The maximum basic contribution to the RPP is limited to 1.5 times the maximum pension unit for the given calendar year. The basic company contribution to the SRP equals the basic member's contribution to the SRP.

Changes: Effective January 1, 2014,

- o an additional member's contribution equal to 1.5% of contributory earnings will be required to the RPP. Contributory earnings are defined as earnings, for a given calendar year, not exceeding the earnings required to produce the maximum basic member's contribution to the RPP and SRP.

- o if the average solvency ratio of the member's RPP, as defined under the PBSA, measured on January 1 of the preceding calendar year, is above 100%, the basic member's contributions and the basic company contributions otherwise required to be made to the SRP in the calendar year will remain as is;
- o if such average solvency ratio of the member's RPP is below 100%, the basic member's contributions otherwise payable to the SRP in the calendar year will be paid to the RPP and the Company contributions otherwise required to be made to the SRP in the calendar year will be nil.

Section 4.1 of the AC Pilots Plan and CAIL Pilots Plan shall be amended accordingly.

c) *Removal of Mandatory Retirement*

Current provisions: A member must retire no later than the first day of the month immediately following the month the member attains age 60.

Changes: Mandatory retirement will be removed for pilots who retire after December 1, 2012. A pilot will continue to accumulate allowable service in accordance with the terms of the applicable plans until the earliest of 1) the date upon which the pilot retires 2) the date upon which the pilot completes 35 years' allowable service or 3) November 30 of the year the pilot attains age 71.

d) *Early retirement eligibility*

Current provisions: A member is eligible to early retirement with 25 years of qualifying service or when the sum of the Member's age and qualifying service adds up to 80 years or more.

Changes: The eligibility to early retirement shall occur upon the Member's completion of 30 years of qualifying service or upon attaining age 60.

To do so, Section 5.2 of the AC Pilots Plan and the CAIL Pilots Plan shall be modified accordingly. The CAIL Early Retirement Eligibility Date as defined in Appendix A of the CAIL Pilots Plan shall also be defined as per the above.

e) *Early retirement reduction:*

Current provisions: The member is eligible to an unreduced pension if he retires at age 60. In case of early retirement, the pension is multiplied by an early retirement factor in which the numerator is the Qualifying Service and the denominator the Qualifying Service projected to age 60. Under CAIL Pilots Plan, early retirement reduction is calculated as 3% per year before age 60 for a portion of the pension.

Changes: The member will be eligible for an unreduced pension if he retires on or after pensionable age defined as age 65, or on or after age 60 if the member completes 30 years of qualifying service. All 1) early retirement pensions, 2) grounded retirement pensions payable from the RPPs and 3) any immediate pension payable from CAIL Pilots Plan before qualifying for early retirement, shall be calculated on an actuarial equivalent basis reduced from pensionable age.

To do so, the early retirement factors under Section 6 of the AC Pilots Plan and under Section 6 and Appendix A of the CAIL Pilots Plan shall be modified accordingly.

f) As an incentive for the Union to support the Company's effort for Funding Relief as described below, the Company's Final Offer is to change any reference to 30 years of service in sections d) and e) above by 25 years of qualifying service contingent on the parties being successful in obtaining from the federal authorities such Funding Relief.

g) *Termination:*

Current provisions: A member who terminates prior to early retirement eligibility of 80 points or 25 years of service is entitled to payment of the deferred annual pension as early as age 50. The pension payable is reduced on an actuarially equivalent basis for the period prior to the age the employee would have attained 80 points, based on the service at the date of termination, and by an early retirement factor in which the numerator is the Qualifying Service and the denominator the Qualifying Service projected to age 60 after that point. There is no entitlement to SRP benefits.

Changes: Upon termination of employment before eligibility for early retirement, the pension payable from the RPP will be a deferred pension commencing payment at age 65. A member terminating after age 55 would be entitled to an immediate pension which shall be calculated on an actuarial equivalent basis reduced from age 65. However, there is no entitlement to SRP benefits.

To do so, Section 8 of the AC Pilots Plan and Section 8 and Appendix A of the CAIL Pilots Plan shall be modified accordingly.

- 2) The following amendment to RPP and SRP provisions shall be implemented on January 1, 2011 and effective for retirements, terminations and deaths occurring on or after January 1, 2014, subject to the solvency deficiency in the RPP.

a) *Normal form of pension payment:*

Current provisions: The normal form of payment is a joint and survivor 50% which means that 50% of the pension payable before death will continue to the eligible spouse for his/her lifetime. The survivor benefit is payable to the spouse qualifying on the date of death. The statutory joint and survivor 60% pension form is offered under the AC Pilots Plan and the CAIL Pilots Plan. An optional joint and survivor 100% form is offered under the CAIL Pilots Plan. For the 60% or 100% forms, the survivor benefit is payable to the spouse qualifying on the date of retirement, unless such spouse deceased. The amount of pension payable under the statutory and optional forms of pension payment is established on an actuarial equivalent basis. A higher pension option under Section 7 of the AC Pilots Plan and CAIL Pilots Plan is offered in connection with all forms.

Changes: No change to the normal form of pension.

- 3) The Maximum Pension Units (MPUs) in the RPP and SRP: No change to the MPUs.
4) Additional Life Insurance for Former CAIL Pilots

Current provisions: Former CAIL Pilots have an additional life insurance. The premium is paid by the Company and it is taxable to the Pilots. The insurance is payable to the eligible spouse and if there is no spouse, no benefit is paid. The amount of insurance paid is offset from the death benefit payable from the pension plan.

Changes: The additional life insurance is cancelled effective August 1, 2012.. There will be no offset in the pension plan for deaths occurring on or after this date.

Section 10.1 of the CAIL Pilots Plan shall be amended accordingly.

- 5) *Disability and grounded retirement:*

Current provisions: The disability retirement pension or grounded retirement pension payable to an Air Canada Pilot is based on a full 2% Formula Pension and payable until and including the earlier of the first of the month preceding the month in which a disability pension becomes payable under a government pension plan or the first of the month he reaches age 65.

From that date, the annual amount of the pension is reduced to the amount that would have been payable upon a normal or early retirement as applicable. The same full 2% also applies to a CAIL Pilot but only for service on and after July 1, 2003.

Changes: The disability retirement pension or grounded retirement pension payable to an Air Canada Pilot or a CAIL Pilot will be based on a full 2% Formula Pension for all service and payable until and including the earlier of the first of the month preceding the month in which a disability pension becomes payable under a government pension plan or the first of the month he reaches age 65. From that date, the annual amount of the pension will be reduced to the amount that would have been payable upon a normal or early retirement as applicable. This change will apply effective August 1, 2012 for future disability and grounded retirements

Sections 6.5 and 6.6 of the AC Pilots Plan and the CAIL Pilots Plan shall be amended accordingly.

6) Notional Earnings

Current provisions: Two different methods are used in practice to determine notional earnings for pension purposes and other benefits.

Changes: Harmonize the practice for pensions to the method used for benefits in accordance with Article 16.02.02 of the collective agreement. This change will apply effective April 1, 2011 for future periods on GDIP but also retroactively for pilots on GDIP as of April 1, 2011, for the current GDIP period only. Change has already been implemented.

7) Pension Committee

Current Provisions: The Pension Committee is currently made up of three Company representatives and three pilot representatives for each of the AC Pilots Plan and CAIL Pilots Plan. Both committees meet jointly. There are no members on the committees representing the pensioners.

Changes: For each of the AC Pilots Plan and CAIL Pilots Plan, the pensioners may appoint a pensioner of the plan to represent them on the existing Pension Committee. If the pensioners appoint a representative, the appropriate plan will be amended to add this pensioner representative on the committee and add one Company representative. The applicable committee would then consist of three members appointed by ACPA, one appointed by the pensioners and four appointed by the Company. All members on each committee can attend any joint meetings of the Pension Committees for the AC Pilots Plan and the CAIL Pilots Plan.

8) Other sections of the AC Pilots Plan and the CAIL Pilots Plan and paragraphs of section 26.04 of the Collective Agreement may have to be modified as well so to properly implement the above changes.

Defined Contribution Arrangement

- 9) Every Air Canada employee who is a member of ACPA and who is hired on or after August 1, 2012 shall join a new Defined Contribution Arrangement for Pilots ("Pilots DC Plan"). Such pilot is not eligible to join the AC Pilots Plan or the CAIL Pilots Plan. For clarity, a pilot will not have the opportunity to transfer previous military service to Air Canada.
- 10) The Pilots DC Plan shall be comprised of a Basic Component and a Supplementary Component. Such plan will be registered with OSFI and the Canada Revenue Agency ("CRA") and be subject to the registered pension plan limitations of the Income Tax Act.

- 11) A pilot who is member of the Pilots DC Plan shall contribute to the Basic Component by payroll deduction the percentage of earnings he selects, in accordance with the following rates:

<i>Employee contributions</i>	<i>Company contributions</i>
3% to 6%	100% matching

- 12) For a pilot who is member of the Pilots DC Plan, the Company shall contribute to the Supplementary Component an additional amount calculated in accordance with the following rates applied to the employee contributions paid by the pilot in the Basic Component:

<i>Completed Years of Continuous Service on 1st day of the month</i>	<i>Company additional contributions in % of employee contributions to Basic Component</i>
Less than 2	0%
2 but less than 5	37.5%
5 and over	75%

- 13) A member of the Pilots DC Plan shall cease contributing to this plan when the sum of his allowable service under an Air Canada defined benefit registered plan plus his qualifying service as a member of the Pilots DC Plan has attained thirty-five (35) years.
- 14) A member's and the Company's contributions during a given Plan Year shall not exceed the limit prescribed under the Income Tax Act for that Plan Year. Earnings subject to contributions under the Basic and Supplemental Components will be capped proportionately so that full percentage of matching can be paid.

Example:

Prescribed limit for year: \$22,970
 Earnings: \$150,000
 Completed Years of Continuous Service: more than 5 years

		<i>Without maximum</i>	<i>With maximum</i>
Pilot Contribution, Basic	6% of earnings	\$9,000	\$8,352.73
Company Contribution, Basic	100% match	\$9,000	\$8,352.73
Company Contribution, Supplementary	75% match	\$6,750	\$6,264.54
Company Contribution, Total		\$15,750	\$14,617.27
Total Contribution		\$24,750	\$22,970.00
Company Contribution, % of Pilot		175%	175%

Pilot and Company contributions will cease when earnings reach \$139,212, which is the Prescribed limit for year of \$22,970 divided by 16.5%. Such limit results in all components above being capped proportionately

- 15) A member on a period of disability during which he is receiving benefits under an approved group disability insurance program of the Company shall not be required nor permitted to make contributions. During such period of absence, the Company shall contribute a rate of 3% of his earnings.
- 16) The Company shall provide a range of investment options to members. The Company shall make all reasonable efforts to assure that the Pilots DC Plan complies with the defined contribution safe harbour provisions of the PBSA and regulations when these rules become effective.

- 17) The Plan shall be administered by the Company. A Committee shall be established and shall assume the functions of a Pension Council as defined under PBSA. The Committee shall consist of an even number of persons, one-half appointed by ACPA and one-half appointed by the Company.
- 18) All reasonable fees and expenses related to investment management are to be paid by members and former members in the form of reduced investment income. All other fees and expenses of the Plan are to be paid by the Company.

Review of Plan Amendments

- 19) Air Canada shall undertake to amend the text of the AC Pilots Plan and the CAIL Pilots Plan to incorporate amendments to such plan text and other documents which are required by this LOU, inclusive of any amendment of the plan documents to permit the reduction in accrued benefits. Air Canada shall also undertake to establish the Pilots DC Plan. The amended and new plan texts will be submitted to ACPA for approval. Thereafter the plan texts will not be changed unless required by law or agreed to by the parties. Amendments which are required by any law which applies to the RPPs or SRPs can be made unilaterally by Air Canada.

Implementation of Benefit Changes

- 20) The parties shall cooperate, act diligently, and take all actions required for the implementation of this Pension LOU and to further its objectives.
- 21) The parties recognize that some of the changes provided for under this LOU have the effect of reducing pension benefits; as such, in accordance with paragraph 10.1(2)(a) of the Pension Benefits Standards Act, 1985 ("PBSA"), amendments to the RPP are subject to the Superintendent's authorization. The Company and ACPA shall cooperate in making the necessary representations to OSFI and, if necessary, the Department of Finance to effect such approval promptly in accordance with the following principles:
 - a) the Company shall provide all affected Plan members and former Plan members with a short document satisfactory to ACPA (such acceptance not to be unreasonably withheld) informing such beneficiaries of the highlights of the benefit changes, including the potential financial impact and approval process;
 - b) the Company may hold information sessions in conjunction with the notice, pursuant to OSFI's recommendations in their guidelines on benefit reductions;
 - c) any objections received by the Company or ACPA, along with any response, must be forwarded to OSFI for its consideration.

Company contributions to the RPPs and Funding Relief

ACPA shall actively support the Company's effort to obtain regulatory relief from solvency funding requirements otherwise applicable to all registered pension plans maintained by the Company, as set out in the Appendix 1 of this Pension LOU.

Benefit Changes for former members

- 22) Nothing in this LOU shall prevent the Company to implement benefit changes to retirees and other former members, subject to a consultation process with such beneficiaries and OSFI's approval.
- 23) ACPA may observe such consultation with the retirees and other former members of the AC Pilots Plan and the CAIL Pilots Plan but shall not be construed to represent such beneficiaries.

Appendix 1 to the Pension LOU

WHEREAS the Company administers ten defined benefit registered pension plans (the “Plans”);

WHEREAS ACPA represents approximately 3,000 pilots;

WHEREAS in 2009 the parties agreed, along with the other Canadian-based unions, to temporary solvency deficit funding relief, following which the Government of Canada adopted the Air Canada Pension Plan Funding Regulations, 2009, which will expire in 2014;

WHEREAS the Federal Government continued to request that Air Canada and its Canadian-based unions engage in discussions to address the long-term sustainability of the pension plans;

WHEREAS the parties are committed to the sustainability of the Air Canada pension plans over the long term;

WHEREAS the parties recognize that a reduction in the Company’s pension funding obligations is required;

NOW THEREFORE, the Company and ACPA agree as follows:

1. The Company and ACPA shall vigorously support regulations under the Pension Benefits Standards Act, 1985 (the “Special Regulation”) that provide for the funding relief set out below. The Company and ACPA shall cooperate, act diligently, and take all actions required to implement this agreement and obtain enactment of the Special Regulation, including, without limitation, the making of representations to any governmental authority in support of implementation of the agreement and enactment of the Special Regulations.
2. In each plan year for the period from January 1, 2014 to December 31, 2023, the aggregate past service contribution in respect of solvency deficits and going concern unfunded liabilities for all Plans combined shall equal the lesser of:
 - (a) \$150 million; and
 - (b) the maximum past service contribution permitted under the Income Tax Act.
3. The past service contribution described in section 2 will be determined on a Plan-by-Plan basis, with the contribution to a particular Plan being the pro rata share of that Plan’s solvency deficit to the aggregate solvency deficit for all the Plans in solvency deficit, all as determined as at January 1 of each year, where such solvency deficit:
 - (a) is determined as the solvency liabilities less the market value of the assets of the Plan, as determined by the Company’s actuary; and
 - (b) shall not be less than zero for any Plan.

For further clarity, should a Plan have a solvency surplus, such Plan shall be excluded from the pro rata allocation of the past service contribution.

4. The past service contribution to be made to each Plan during a Plan year shall be paid in equal monthly instalments, except that the past service contribution determined in a valuation will remain in effect until the next valuation is filed. When the next valuation is filed, there will be a retroactive adjustment made at the next scheduled remittance date.

5. Air Canada may elect to have past service contributions determined, for that Plan year, in respect of all Air Canada pension plans collectively, in accordance with the Pension Benefits Standards Act, 1985, and any applicable regulations thereunder rather than the amounts provided under the Special Regulation.
6. It is a condition of this agreement, and the Special Regulation shall so provide, that there will be no outstanding deemed trust relating to the Plans, except:
 - (a) if and when any contribution required by the application of this agreement is not remitted to the Plan by the due date described herein; or
 - (b) in respect of amounts deducted by the Company from members' remuneration that are not remitted to the Plan when due.
7. Actuarial methods and assumptions to be employed shall be at the discretion of the actuary, within the standards of the Canadian Institute of Actuaries.
8. This agreement shall form part of the Company's collective agreements with ACPA.
9. All dollar amounts expressed herein are expressed in Canadian dollars (CAD).

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this _____th day of _____.

FOR: AIR CANADA

FOR: AIR CANADA PILOTS ASSOCIATION

LETTER OF COMMITMENT 52 – FLEXIBLE BENEFITS DISCUSSION

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

This letter will confirm the parties' agreement that, following the implementation of a flexible benefits plan for Air Canada management employees, the Company and the Association will meet to discuss the merits of introducing a similar plan for the Air Canada pilots and the means to implement such a plan.

Yours truly,

Harlan Clarke,
Director, Labour Relations

**LETTER OF COMMITMENT 53 – GDIP ADMINISTRATION AND
CASE MANAGEMENT**

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

This letter will confirm the parties' agreement that after August 1st 2012, the Company and the Association will meet to discuss the administration of case management of pilots on GDIP.

Yours truly,

Harlan Clarke,
Director, Labour Relations

LETTER OF COMMITMENT 54 – A/B RESERVE

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

This letter will confirm the parties' agreement that after August 1st 2012, the Company and ACPA will continue discussions regarding modifications to the A/B Reserve language that is contained in the 2009 Collective Agreement. It is also agreed that all changes that are implemented will be done so on a cost neutral basis.

Yours truly,

Harlan Clarke,
Director, Labour Relations

LETTER OF COMMITMENT 55 – SICK LEAVE

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

This letter will confirm the parties' agreement that after August 1st 2012, the Company and the Association will continue discussions regarding modifications to the Sick Leave language that is contained in the 2009 Collective Agreement. It is also agreed that all changes that are implemented will be done so on a cost neutral basis.

Yours truly,

Harlan Clarke,
Director, Labour Relations

LETTER OF COMMITMENT 56 – FLIGHT SWITCH RULES

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

This letter will confirm the parties' agreement that after August 1st 2012, the Company and the Association will work together to develop a user-friendly system for administering flight switches. It is understood that the primary purpose of this system is to facilitate switching of flights and will not be relied upon as the sole grounds to discipline a pilot. It is also agreed that any changes that are implemented will be done so on a cost neutral basis. Additionally, the parties have agreed to amend the flight switch rules contained in the 2009 Collective Agreement according to the following provisions:

The flight switch rules will allow pilots to request flight switches where the credits associated with the exchanged pairing(s) will result in projections above DBM or below MBG. Any such flight switch will be at no additional crew cost to the Company.

Harlan Clarke,
Director, Labour Relations

LETTER OF COMMITMENT 57 – AUTOMATED AWARDS

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

This letter will confirm the parties' agreement that after August 1st 2012, the Company and the Association will continue discussions regarding the merits of implementing an automated system for administering open time awards. Such a system will be implemented if it is decided by both parties that it is both feasible and cost neutral.

Yours truly,

Harlan Clarke,
Director, Labour Relations

LETTER OF COMMITMENT 58 – ACPA DISPLACEMENT PROCEDURES

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

This letter will confirm the parties' agreement that after August 1st 2012, the Company and the Association will discuss new procedures for ACPA displacements. The purpose of these new procedures shall be to ensure that ACPA displacements are adequate for conducting the Association's business given that there are new scheduling rules being introduced. These new procedures shall also incorporate new timelines for displacement requests that will allow the company to schedule in a manner avoiding operational disruption. Further, the discussions will include categorizing the displacements in order to identify who is responsible for the cost of individual displacements.

Yours truly,

Harlan Clarke,
Director, Labour Relations

LETTER OF COMMITMENT 59 – CREW SCHEDULING SYSTEMS

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

This letter will confirm the parties' agreement that after August 1st 2012, the Company and the Association will continue discussions regarding modifications to the systems used by Flight Operations Crew Scheduling.

Joint Scheduling Committee will oversee:

- the modification of Netline/Crewlink to display PBS start credit values;
- the modification of Netline/Crewlink to provide additional options on the “drop down menu” which will enable pilots to list themselves for Allowable Voluntary Overtime (AVO);
- the modification of Netline/Crewlink to allow any pilot to view the accumulated AVO for each pilot on his equipment type at his base.

PBS Committee will oversee:

- the implementation and application of the process for automated bidding and pre-assignment of MT/MTV/LOFT/LOE and ART;
- the automation and implementation of the pre-assignment of OEs. The PBSC will have the authority to develop and implement interim measures for the manual awarding of OEs in PBS.

Yours truly,

Harlan Clarke
Director, Labour Relations

LETTER OF COMMITMENT 60 – PILOT PAY

July 30th, 2012

Captain Jean-Marc Belanger
MEC Chair
Air Canada Pilots Association
6299 Airport Road, Suite 205
Mississauga, Ontario
L4V 1N3

Dear Captain Belanger:

Re: Implementation of the new Pay System

This letter confirms the parties' agreement that, with implementation of the 2011 Collective Agreement, a transition process will be implemented in order to facilitate the introduction of Article 12. This transition process, outlined below, will commence as of August 1st, 2012 based on the results of the most recent CMSC Review prior to August 1st, 2012.

As of August 1st, 2012, all Relief Pilots who are part of the LOU 63 Position Group on July 31st, 2012 will be assigned a "virtual pay position" based on the floor PG hourly rate.

On July 31st, 2012, all other pilots will be assigned a "virtual pay position" based on the hourly rate associated with their QPOS, or APOS upon reaching their AD.

The "virtual pay position" will be subject to all pay progression as per Art 12 of the collective agreement as well as the applicable annual increases.

A Pilot assigned a virtual pay position will be paid the greater hourly rate of the following:

1. The July 2012 hourly rate for his virtual pay position (including the floor PG hourly rate); or
2. The appropriate hourly rate for his Position as per Art 12.

A Pilot's virtual pay position will expire at the earliest of:

1. the first Block Period in which the Pilot is paid the Art 12 Rates. This will occur when the Art 12 Rate is higher than the hourly rate of the virtual pay position as per point 2 above; or
2. when a Pilot reached his AD to a Position they obtained on the CMSC Review after August 1st, 2012.

Yours truly,

Harlan Clarke
Director, Labour Relations

APPENDIX B

Profit Sharing:

The parties agree that Air Canada will provide a Profit Sharing Program for all participating employees of Air Canada. Profit Sharing is calculated based upon the following structure:

1. Profit sharing is based upon Adjusted Profits which is defined as the Consolidated Net Income of Air Canada and its subsidiaries (hereinafter referred to as the Corporation) as reported in Air Canada's Audited Consolidated Annual Financial Statements, excluding (to the extent included in Consolidated Net Income) the following items:
 - a) any provision for or recovery of income taxes except that to the extent cash income taxes are paid in any period then Adjusted Profits are net of cash taxes paid on Adjusted Profits at the Corporation's effective tax rate;
 - b) the cumulative effect of a change in accounting principles;
 - c) the amount of profit sharing expense (including and without duplication SOS payments) recorded in Consolidated Net Income;
 - d) extraordinary, nonrecurring or unusual gains or losses;
 - e) any gains or losses related to asset impairments or any reversals of asset impairments;
 - f) any gains or losses realized in connection with any sale or disposition of securities or the early extinguishment of debt;
 - g) the net income or loss on an investment accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the Corporation;
 - h) the cumulative effect of a change in accounting principles;
 - i) any unrealized foreign currency translation gains or losses (including gains or losses related to currency re-measurements on financial assets and liabilities of the Corporation);
 - j) any gain or loss incurred arising from the sale, exchange or other disposition of capital assets by the Corporation (including any fixed assets, intangible assets, all inventory sold in conjunction with the disposition of capital assets including any fixed assets); and
 - k) all integration costs, transactional costs, expenses and charges incurred in connection with the consummation of any transaction related to any acquisition, merger, or any investment
2. Profit sharing will be as follows and based upon the definition of Adjusted Profits as defined above:
 - (i) 7.5% of Adjusted Profits at/or below 7% of revenues.
 - (ii) 25% of all Adjusted Profits over 7% of revenues.
3. Calculated annually, paid by June 30th of the following year.
4. Allocation based upon each employee's base salary earnings received during the plan year.
5. The Profit Sharing Program will be implemented on January 1, 2011.

MEMORANDUM OF AGREEMENT

between:

Air Canada Pilots' Association
(“ACPA” or the “Union”)

and

Air Canada
(the “Company”)

WHEREAS the collective Agreement between the Company and ACPA (the “Parties”) expires on June 30, 2009 (the “Collective Agreement”);

WHEREAS the Parties acknowledge the need for the Company to access additional funds to improve its liquidity situation at the present time;

WHEREAS the Parties understand the importance of the Company securing the investment of capital and the importance of labour stability to obtaining that investment;

WHEREAS the Parties recognize that obtaining additional funds and investment is important to avoid filing under the *Companies' Creditors Arrangement Act* or the *Bankruptcy and Insolvency Act* or similar proceedings and the desirability of doing so;

NOW THEREFORE the parties have agreed as follows:

1. Subject only to the modifications set out in Appendix A attached hereto, the Collective Agreement is renewed effective July 1, 2009, until March 31, 2011 (the “Renewal Period”). The Union shall be entitled to negotiate the provisions of Appendix “A” subject to the following conditions:
 - a. All modifications must be in the aggregate cost neutral (i.e. costs net of applicable offsets);
 - b. All modifications must be agreed by 11:59pm on June 15, 2009 failing which any outstanding disputes will be resolved by final and binding decision of Hon. James Farley on Tuesday June 16, 2009 by 4:00pm. In the event of such dispute, the parties shall advise Hon. James Farley of any pertinent information they wish him to consider regarding the costs of any items in dispute by noon on June 16, 2009 and shall thereafter be available to answer questions.
2. For greater certainty, during the Renewal Period, neither party shall have the right to strike or lockout, as per the *Canada Labour Code*.
3. For further certainty, during the Renewal Period there shall be no changes to the terms and conditions of the Collective Agreement including, without limitation, (i) no wage rate increases, (ii) no changes to pension benefit levels, nor (iii) any changes to group insurance coverage or benefits.
4. Upon this Memorandum of Agreement coming into force, the provisions set out in Appendix B attached hereto, the “Pension Memorandum of Understanding” shall also come into force.

5. In the event that the Company becomes subject to the *Companies' Creditors Arrangement Act* or the *Bankruptcy and Insolvency Act* or similar proceedings, while the Pension Memorandum of Understanding signed by ACPA is in effect, section 19 of the Pension Memorandum of Understanding shall apply, and whether the Pension Memorandum of Understanding is in effect or not, there shall be no amendments to the Collective Agreement except on consent of the parties.
6. Nothing in paragraph 1 shall preclude either party from attempting to secure, through negotiations for the renewal of the Collective Agreement at the end of the Renewal Period, changes to the Collective Agreement with retroactive effect from the commencement of the Renewal Period.
7. If, in negotiating a renewal or extension to a collective agreement expiring in 2009 or during the Renewal Period, any other Air Canada group negotiates an across the board improvement to wage rates, work rules, benefits (including medical, dental and life insurance and sickness and disability benefits) or other compensation to take effect during the Renewal Period, the same improvement will be incorporated in the Collective Agreement, unless it is inapplicable, in which case other improvements of equal proportional value will be granted. This does not apply to any improvement whose cost is intended to be offset by cost reductions or productivity gains negotiated at the same time.
8. ACPA will be permitted to review Air Canada's "Five Year Plan" of April 21, 2009, and shall be granted reasonable access to that document, subject to those conducting the review agreeing to the terms of a Non-disclosure Undertaking substantially in the form used for the Union-Management quarterly financial update meetings. Air Canada shall continue to provide quarterly financial updates in accordance with its practice.
9. Air Canada agrees that during the Renewal Period it shall not sell its interest in Air Canada Cargo or Air Canada Ground Handling Services, provided this undertaking shall not apply to any sale or other disposition of those businesses pursuant to a lender requirement.
10. ACPA will be granted access to a copy of the agreement reached in May 2009 concerning credit card processing financial arrangements, subject to Air Canada obtaining any consent for such disclosure from the relevant credit card processors, which Air Canada shall use reasonable efforts to obtain and each of ACPA's representatives who access such agreements having executed a Non-disclosure Undertaking acceptable to Air Canada and based on the terms of a Non-disclosure Undertaking substantially in the form used for the Union-Management quarterly financial update meetings.
11. This Memorandum of Agreement remains in full force and effect even if the Pension Memorandum of Understanding ceases to have effect.
12. This Memorandum of Agreement as a whole will be subject to ratification by ACPA in accordance with its Constitution and By-laws. Both parties commit to recommend and fully endorse the ratification of this Memorandum.
13. This Memorandum of Agreement shall not limit the Parties ability to agree to changes to the Collective Agreement and/or the working conditions of the employees represented by ACPA on matters and of the kind they usually consider during the life of a collective agreement and which usually take the form of documents ancillary to the Collective Agreement (such as Memorandums of Understanding, Memorandums of Agreement, Minutes of Settlement and Letters of Understanding) once agreed upon.
14. Any dispute arising between the parties regarding the interpretation or application of any provision of this Memorandum of Agreement (including the Appendixes hereto), shall be subject to final and binding arbitration before Hon. James Farley who shall have sole jurisdiction to establish appropriate procedures including as to costs.

Signed this 14th day of June, 2009 at Toronto.

Air Canada

Per: Kevin Howlett
Sr. Vice-President – Employee Relations

Air Canada Pilots' Association

Per: _____

Appendix "B"

THIS PENSION MEMORANDUM OF UNDERSTANDING MADE AS OF THE 14 DAY OF JUNE, 2009 (the "PENSION MOU")

- AMONG:** AIR CANADA (the "Company")
- AND:** AIR CANADA PILOTS ASSOCIATION ("ACPA")
- AND:** CANADIAN AIRLINE DISPATCHERS ASSOCIATION ("CALDA")
- AND:** NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA), LOCAL 2002 (the "CAW")
- AND:** CANADIAN UNION OF PUBLIC EMPLOYEES, AIRLINE DIVISION ("CUPE")
- AND:** INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (the "IAMAW") (ACPA, the CAW, CALDA, CUPE and the IAMAW collectively the "Unions")
- AND:** AIR CANADA PIONAIRS (the "PIONAIRS")

WHEREAS the Company sponsors ten defined benefit registered pension plans (the "Plans");

WHEREAS the parties recognize that an alteration in the level of the Company's pension funding obligations is critical; and

WHEREAS the parties recognize that a reduction in the Company's pension funding obligations is therefore required;

WHEREAS the parties share the objective of preserving accrued pension benefits;

NOW THEREFORE, the Company, the Pionairs and the Unions agree as follows:

1. A regulation shall be adopted under the *Pension Benefits Standards Act, 1985* (the "**Special Regulation**") stipulating the funding provisions of parts (a) and (b) below.

(a) 2009-2010

2. The Company shall have no obligation for, and shall not remit, any past service contributions to any Plan for a 21-month period. Specifically:
 - (a) subject to paragraph 2(b) below, such non-contribution period shall commence with the special payment that would otherwise be due July 30, 2009 in respect of the second quarter of 2009;
 - (b) on or before August 14, 2009, a retroactive adjustment in respect of the special payment in respect of the first quarter of 2009 will be made, with such adjustment equal to the greater of zero and:
 - (i) the required contribution for the first quarter of 2009, assuming that the Company opts out of the current *Air Canada Pension Plan Solvency Deficiency Funding Regulations* in 2009 in respect of all remaining Plans and amortizes the solvency deficiency for each Plan emerging in 2008 over 10 years, with such deficiency determined by January 1, 2009 actuarial valuations; less
 - (ii) the past service contribution made on April 30, 2009 in respect of the first quarter of 2009 in accordance with the January 1, 2008 actuarial valuations.

(b) 2011-2013

3. The aggregate annual past service contribution in respect of the period from January 1, 2011 to December 31, 2013, with respect to both solvency deficits and going concern unfunded liabilities, for all the Plans combined shall equal the lesser of:

- (a) \$150 million, \$175 million, and \$225 million in respect of 2011, 2012, and 2013, respectively; and
- (b) the maximum past service contribution permitted under the *Income Tax Act*.

The first past service contribution after the 21-month non-contribution period will be due April 30, 2011, in respect of the first quarter of 2011.

4. The past service contribution described in section 3 will be determined on a Plan-by-Plan basis, with the contribution to a particular Plan being the pro rata share of that Plan's solvency deficit to the aggregate solvency deficit for all the Plans in solvency deficit, all as determined as at January 1 of each year, where such solvency deficit:

- (a) is determined as the solvency liabilities less the market value or market-related value of the Plan, as determined by the Company's actuary; and
- (b) shall not be less than zero for any Plan.

For further clarity, should a Plan have a solvency surplus, such Plan shall be excluded from the pro rata allocation of the past service contribution.

5. The past service contribution to be made to each Plan during a Plan year shall be paid in equal quarterly instalments, except that the past service contribution determined in a valuation will remain in effect until the next valuation is filed. When the next valuation is filed, there will be a retroactive adjustment made at the next scheduled remittance date.

6. The past service contribution to be made during a Plan year shall be remitted on a quarterly basis, and shall be due 30 days after the end of the period in respect of which the contribution is paid.

7. During the term of this Pension MOU, the Company shall continue to make required current service contributions to the Plans.

8. The Company shall not offset or reduce any contributions described in section 3 through the use of any actuarial or experience gains, except to the extent they are limited through the application of paragraph 3(b).

(c) 2014

9. Any solvency deficiency and/or going concern unfunded liability that exists as of January 1, 2014 shall be deemed to have emerged as of January 1, 2014 and shall be funded thereafter in accordance with the *Pension Benefits Standards Act, 1985*, and any applicable regulations thereunder.

(d) Implementation of Funding Relief

10. The parties shall cooperate, act diligently, and take all actions required for the implementation of this Pension MOU and to further its objectives.

11. The parties recognize that the suspension of past service contributions for the initial 21-month period and the alternative determination of past service contributions for the subsequent 36-month period require the adoption of the Special Regulation. Without limiting the generality of section 10, the Company, the Pionairs and the Unions shall cooperate in making the necessary representations to OSFI and the Department of Finance to effect such adoption promptly and with effect no later than July 1, 2009 in accordance with the following principles:

- (a) the parties recognize that consultation with active non-union Plan members and with former Plan members will be required;
 - (b) the funding relief described herein will be granted if less than one-third of all Plan beneficiaries (other than those active Plan members represented by the Unions) object;
 - (c) upon successful ratification, the Unions' respective executions of this Pension MOU shall be deemed to constitute consent on behalf of their respective members;
 - (d) the Company shall provide all active non-union Plan members and all former Plan members with a short document satisfactory to the relevant parties to this agreement (such acceptance not to be unreasonably withheld) informing such beneficiaries of the highlights of the funding relief proposal, including the potential financial impact and consent process; and
 - (e) the Company requires that the funding relief described herein apply to all the Plans.
12. It is a condition of this Pension MOU, and the Special Regulation shall so provide, that there will be no outstanding deemed trust relating to the Plans, except:
- (a) if and when any contribution required by the application of this Pension MOU (other than pursuant to section 19) is not remitted to the Plan by the due date described herein;
 - (b) in respect of amounts deducted by the Company from members' remuneration that are not remitted to the Plan when due; or
 - (c) for greater certainty, in respect of normal cost contributions that are not remitted to the Plan when due.
13. This Pension MOU is also subject to the following conditions:
- (a) neither the Unions nor OSFI or any other authority having any jurisdiction over these matters shall assert or support the assertion of any deemed trust that might otherwise arise under current law prior to adoption retroactive to July 1, 2009 of the Special Regulation and any amendments to any other PBSA Regulations that may be necessary to give effect hereto. Without limiting the generality of section 10, the Unions shall cooperate with the Company in requesting and obtaining adoption of the Regulation, as well as "comfort" letters, all satisfactory to the Company, to such effect from OSFI and the Department of Finance;
 - (b) the Company and each of the Unions shall enter into a Labour MOU having a duration of 21 months from the expiry of the last collective agreement;
 - (c) as soon as practicable, and in any event prior to execution of the letter of intent referenced in paragraph 13(d), the Company, the Pionairs, and any other interested parties to this agreement shall jointly approach the Government of Canada and the governments of such province(s) as the Company shall determine to seek guarantees of the financing described in paragraph 13(d);
 - (d) the Company shall have entered into a letter of intent no later than July 15, 2009 for at least \$600 million in new financing (the "Club Loan"), in form and content reasonably satisfactory to the Company;
 - (e) ACE Aviation Holdings Inc. shall have committed to subscribe for at least \$100 million of the Club Loan, subject to the Company waiving such requirement in the best interests of the Company;
 - (f) Groupe Aeroplan Inc. shall have committed to subscribe for at least \$100 million of the Club Loan, subject to the Company waiving such requirement in the best interests of the Company;

- (g) The Company shall use reasonable efforts to achieve cost savings appropriate in the circumstances;
- (h) The Company recognizes the on-going value of its slots and will use its best efforts to ensure that in any financing as described in this paragraph 13 that any collateral not include these slots to any proposed financing entity which is not a Canadian government-related entity (such as the Export Development Corporation) or as the Minister of Finance may permit after receiving representation from any party hereto, such representations to be received by the Minister within two business days of notice of intention to do so (the Parties and the Hon. James Farley to provide address for such notice which may be given by delivery, fax, email, or other appropriate electronic method), with the Minister to consult with the Hon. James Farley to receive his recommendation before determining if such permission is appropriate in the then prevailing circumstances; and
- (i) The authorization of the Company's Board of Directors.
14. While a Plan is subject to the funding relief described herein, the Company shall file actuarial reports in respect of such Plan on a basis not less frequently than annually. Actuarial methods and assumptions to be employed shall be at the discretion of each Plan's actuary, within the standards of the Canadian Institute of Actuaries. Subject to execution of a non-disclosure agreement, the Company shall provide prior to the public disclosure thereof, to: (a) each Plan's pension committee; (b) each bargaining unit with members in the Plan; and (c) the Pionairs and any other incorporated retiree or non-union employee association with members or former members in the Plan, a copy of that Plan's actuarial report.
15. The Company shall offer a one-time profit share incentive program pursuant to which each active employee of the Company as of the date of ratification of this Pension MOU shall receive a payment of \$500 providing the Company shall have achieved in respect of its 2010 fiscal year after-tax cash net income of at least \$210 million, such sum to be payable (subject to applicable withholding amounts) within 30 days of release of the Company's 2010 audited financial statements.
16. In the event any Plan is terminated in whole at any time while it is subject to the funding relief described herein, the Company shall be required to fully fund any solvency deficit existing at the termination date. Such deficit shall be paid down over a maximum of five years following submission to and acceptance by OSFI of the termination report. The Company's obligations to the Plan described in this section 16 shall rank *pari passu* with all unsecured claims and, for greater certainty, shall not be subject to a deemed trust or any other priority ranking.
17. On or before November 1, 2009, the Company shall issue the number of Class B shares equal to 15% of the common shares of Air Canada (the "Shares") to a trust to be established for the benefit of the members of the Plans represented by each bargaining unit. The bargaining units' interests in the trust shall be allocated as follows:

	<i>Per Cent of Allocated Equity</i>
CAW	12.58
IAMAW	35.96
ACPA	31.65
CUPE	19.38
CALDA	0.43

The trustee shall be a person agreed by all of the bargaining units or failing agreement, as designated by Hon. James Farley. For so long as the trustee holds any of the Shares allocated to a bargaining unit:

- (a) that bargaining unit shall be entitled to receive a proxy from the trustee in respect of the remaining number of Shares allocated to such bargaining unit; and
- (b) that bargaining unit shall be entitled to direct the trustee to cause such Shares as are allocated to it to be sold in whole or in part.

All net proceeds of the Shares, including dividends or net proceeds of disposition (after trustee expenses), shall be transferred to the trustee of the Plans (allocated to each Plan in the manner specified by section 4 hereof) to be received as an employer contribution in respect of outstanding solvency deficits providing that any such amount shall not reduce the minimum contributions prescribed by section 3 hereof. The Company shall not bear any costs or expenses related to the administration or operation of the trust, including without limitation in respect of the divestiture of the Shares or any other transactions which the trust may enter into, above and beyond \$25,000 per year for each of the first three years beginning from the date of creation of the trust, which shall be reimbursed by the Company on the presentation of invoices therefor.

18. For as long as the trustee of the trust continues to hold at least 2% of the common shares of the Company, such trustee shall have the right to designate one member (who shall not be a member or officer of any of the Unions) of the Company's board of directors, subject to completion of the Company's usual governance process for selection and confirmation of directors. The trustee shall designate such member based upon the wishes of the bargaining units allocated a majority of the Shares held by the trust from time to time (with any deadlock to be settled by Hon. James Farley).
19. The Company shall make no distributions of any kind to its shareholders before December 31, 2010, and shall not make any distributions in excess of Canadian corporate standards prior to December 31, 2013.

(e) Other

20. In the event the Company becomes subject to the *Companies' Creditors Arrangement Act* or the *Bankruptcy and Insolvency Act*, or other similar proceedings, the lesser of: (i) the difference between the amounts contributed to the Plans under section 3 and the amounts that would have been remitted to the Plans in the absence of this Pension MOU and of the Special Regulation; and (ii) the solvency deficit of the Plans as at the most recent valuation shall be treated as due and payable to the respective Plans; provided, however, that the foregoing is all subject to any non-remittance order of the court or other stay provisions. In such event, each Union and the Pionairs shall be entitled to elect to treat all provisions of this Pension MOU as terminated and no longer binding, except sections 7, 16 and 19. For greater certainty, there shall be no deemed trust associated with any obligations under this section 20; nor shall anything herein be construed as exempting the obligations to make such payment from any stay of proceedings provided by a court.
21. This Pension MOU shall form part of the Company's collective agreements with the respective Unions.
22. This Pension MOU shall cease to be of any force or effect if OSFI or any other authority requires any reductions in accrued benefits or current service accruals under any of the Plans prior to adoption of the Special Regulation.
23. The obligation of the Company to deliver the Shares is subject to shareholder, stock exchange, or regulatory approval, if required by law. Where the Company is unable to secure such approval, the Company shall make a contribution to the Plans equal to the value of 15% of the Shares calculated as of the date of this Pension MOU with each Plan's share of such contribution being calculated in accordance with section 4.

24. This Pension MOU shall expire on December 31, 2013, except that sections 9 and 26 hereof shall expire on December 31, 2014.
25. In the event that not all of the Unions are signatory to this Pension MOU, it shall nonetheless be binding on the Company and those parties who are signatory hereto, providing that other Unions shall be entitled to adhere to this agreement subsequently.
26. If any of the Unions negotiates a pension memorandum of understanding that is more favourable than this Pension MOU, then a proportional equivalent value, or more beneficial terms shall apply to the parties who have agreed to this Pension MOU.
27. Providing the Plans have an aggregate solvency deficit of at least \$15 million as of January 1, 2014, the Company agrees to make an additional aggregate payment to the Plans of \$15 million, such payment amount being over and above the amount otherwise required in respect of 2014. Each Plan's share of such contribution shall be calculated in accordance with section 4 hereof and shall be remitted on or prior to December 31, 2014.
28. All dollar amounts expressed herein are expressed in Canadian dollars (CAD).
29. Any dispute as to the interpretation of this Memorandum of Understanding shall be decided by the Hon. James Farley after receiving representations forthwith or as he may direct from the Parties hereto.

IN WITNESS WHEREOF the parties have signed.

AIR CANADA

By: _____

Name:

Title:

AIR CANADA PILOTS ASSOCIATION

By: _____

Name:

Title:

CANADIAN AIRLINES DISPATCHERS ASSOCIATION

By: _____

Name:

Title:

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-
CANADA), LOCAL 2002

By: _____

Name:

Title:

CANADIAN UNION OF PUBLIC EMPLOYEES, AIRLINE
DIVISION, AIR CANADA COMPONENT

By: _____

Name:

Title:

INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS

By: _____

Name:

Title:

AIR CANADA PIONAIRS

By: _____

Name:

Title: