

SOURCE				
EFF. ✓	94	01	10	
TERM. ✓	97	12		
NO. OF EMPLOYEES	114			
NOMBRE D'EMPLOYÉS	50			

Letter of Agreement Number One
Vacation Bidding

1. Pilots shall bid vacation assignments in order of seniority by status, base and equippr type.
2. Annual vacation shall be divided into Prime Time and Non-Prime Time periods. Pr Time periods shall be defined as;
 - Spring School Break (determined by province)
 - **June 15** to September 15, and;
 - December 15 to January 1.
3. No pilot shall bid more than one (1) Prime Time vacation period per year.
4. Vacation between June 15 and September 15 shall be limited to two (2) weeks.
5. After vacation bids are awarded any remaining vacation periods shall be posted for re in accordance with normal bidding procedures. Any pilot who has been awarded a Pr Time vacation period may re-bid for any remaining Prime Time slots during this pro Such re-bid shall only occur once after the bids are awarded.
6. Prior to the start of the bidding process, the Company will post a list of all known grc school training dates for the following year accompanied by names of **pilots** assigne attend.

Signed at Halifax (place) in the Province of Nova Scotia

this 18 day of June 1992

0954 502a

FOR **THE PILOTS**:

FOR **THE COMPANY**:

[Signature]

[Signature]

Pilot Agreement - 11 May 1992

Letter of Agreement Number Two

Grievance/Arbitration

The parties agree that a grievance/arbitration process will be negotiated within thirty (30) day: the ratification of this Agreement, and will then be attached as Section 20 of this Agreement,

Signed at Halifax (place) in the Province of Nova Scotia

this 18 day of June 1992

FOR THE PILOTS:

P. [Signature]

FOR THE COMPANY:

G. [Signature]

SECTION 20 - GRIEVANCE PROCEDURE

20.4 Hearings

The following steps may be waived or combined subject to mutual agreement between the Company and the Association:

20.4.1 Step One

A pilot (or group of pilots) who has a grievance and has failed to reach a resolution through discussions with the appropriate Chief Pilot, shall present it in writing within thirty (30) days ~~of~~ the occurrence, or awareness ~~of~~ the occurrence, to the Director of Flight Operations. The director of Flight Operations or his/her designated representative shall hold a hearing upon the grievance at a mutually convenient time within fourteen (14) calendar days of the presentation of ~~the~~ grievance and will render his/her written decision not later than on the tenth (10th) calendar day following the above mentioned hearing.

20.4.2 Step Two

If the decision ~~of~~ the Director of Flight Operations or his/her designated representative is not acceptable to the griever(s) or is not rendered within the (10) calendar days, then the grievance shall ~~be~~ submitted in writing to the Director or Personnel or his/her designated representative within fifteen (15) calendar days of the decision, or as the case ~~may~~ be, within twenty-five (25) calendar days from the day of the above mentioned hearing. The Director of Personnel or his/her designated representative shall hold a hearing upon the grievance at a mutually convenient time within fourteen (14) days of receipt of the grievance, and shall render his/her decision in writing not later than on the tenth (10th) calendar day following ~~the~~ grievance hearing.

If the time limits outlined in 20.4.2 above are not complied with, the Association may proceed to Arbitration.

20.4.3 It is understood and agreed that to achieve and maintain harmonious relations between the parties, grievances shall be resolved as expeditiously ~~as~~ possible.

20.5 Grievers' Rights/Representatives

20.5.1 At any hearing held throughout these grievance procedures, the griever(s) shall have the right to be represented by the Association.

20.5.2 The griever(s) and the Company shall be given every opportunity to present evidence, make representations and call witnesses.

20.5.3 Throughout the grievance procedure including arbitration, the griever(s) may, together with ~~the~~ Association representative, review any information contained in his/her personnel file or which the Company has introduced at any grievance meeting ~~or~~ hearing. On request the Company shall provide the griever(s) with copies of all such documents.

20.6 Witnesses

20.6.1 The parties will cooperate fully in meeting any requirement for employees to ~~be~~ granted time ~~at~~ no extra cost to the Company in order ~~to~~ act as Association witnesses giving evidence at the hearing.

20.7 Results

20.7.1 If, ~~as~~ a result of any hearing or grievance as specified above ~~the~~ grievance is allowed, the Personnel records of the pilot shall be amended accordingly and if the pilot is totally cleared of all the charges then all reference thereto shall ~~be~~ removed from all the files.

SECTION 21 - ARBITRATION

21.1 Referral to Arbitration

21.1.1 If any grievance is not settled in accordance with the procedures set out in Section 20, then such grievance may be referred by the Association, to Arbitration.

21.1.2 The notice of intention to proceed to Arbitration shall be made in writing to the Company within thirty (30) calendar days of the decision at Step Two of the grievance procedure or, as the case may be, within thirty (30) calendar days of the date such decision should have been rendered.

21.1.3 With respect to a Company Grievance regarding interpretation, application, or alleged violation of this Agreement, the Pilot committee shall have thirty (30) days to meet and resolve the issue with the Company. If the complaint is not resolved within that period, a Company Grievance shall be filed in a Notice of Intent to proceed to Arbitration and shall be made in writing to the Chairman of the Pilot Committee with a full statement of the matter in dispute as well as the provisions(s) of the Agreement which are alleged to have been breached.

21.2 Arbitrator Selection

21.2.1 Matters referred to arbitration shall be heard by a single Arbitrator who shall be an individual mutually agreed upon by both parties.

21.2.2 The Arbitrator, once selected shall make every effort to expedite the Arbitration proceedings.

21.3 Arbitrator Jurisdiction

21.3.1 The Arbitrator shall have jurisdiction to resolve the question in dispute between the parties including the jurisdiction to determine whether a matter referred to the Arbitrator is arbitrable.

21.3.2 All decisions arrived at by the Arbitrator must be consistent with Company policy and with the provisions of this Agreement, and shall be final and binding on the Employee, the Pilot Association and the Company.

21.3.3 The Arbitrator shall, in the case of disciplinary or discharge grievances, have the authority to determine whether the Company's action was taken for just cause. The Arbitrator may decide to uphold the discipline or discharge, exonerate and reinstate the grievor, reduce or modify the discharge or discipline, substitute such other penalty as the Arbitrator deems just and reasonable in the circumstances, and make the grievor whole either fully or in part if the Arbitrator deems such to be appropriate.

21.3.4 The Arbitrator shall not have jurisdiction to establish new provisions or to change in whole or in part any provision of this Agreement.

21.3.5 The fees, charges and expenses of the Arbitrator shall be shared equally by the parties hereto.

21.4 Association's/Company's Rights/Representatives

21.4.1 At any hearing held throughout these Arbitration proceedings the Association and the Company shall have the right to be represented by any person(s) whom they may choose or designate.

21.4.2 The Association and the Company shall be given every opportunity to present evidence, make representations, and present, examine and cross-examine witnesses.

SECTION 21 - ARBITRATION (cont'd)

21.5 Witnesses

21.5.1 The parties will cooperate **fully** in meeting **any** requirement **for** employees to be granted leave without pay at no extra cost to the Company in order to act as Association witnesses giving evidence at the hearing.

21.5.2 The expenses and lost time of **the** grievor shall be borne by that party, and the expenses and lost **time** of witnesses for either party shall **be** borne by that party.

21.6 Arbitrator's Decision

21.6.1 The Arbitrator shall make every effort to render **a** decision within thirty (30) calendar days **from** the date **of** the final hearing.

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Letter of Agreement Number Three

Crew Rest Period

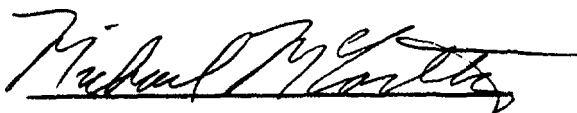
1. The **Airports** listed below and corresponding Hotels require a transportation time **of more than ten (10) minutes**. Actual travel time is listed below **along** with the total Crew Rest Period for that **station**,
2. **These Rest Periods for these** stations will **be used for** scheduling purposes. Other stations fall under section **8.1.8.**
3. **When a change** in Hotel results in an increase/decrease in **travel time**, the **list** will be amended **to** reflect the new actual travel time.

<u>Stations</u>	<u>Hotel</u>	<u>Travel Time</u>	<u>Minimum Rest Period</u>
YQY	Cambridge Suites	20 minutes	10:25
YFC	Wandlyn Inn	20 minutes	10:25
YSJ	Delta Brunswick	20 minutes	10:25
YOW	Novotel	20 minutes	10:25

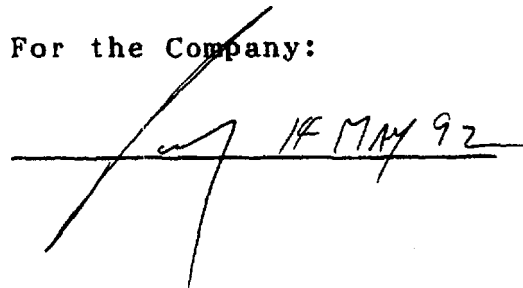
NOTE: These times include the fifteen (15) minute shutdown **period**. This way we **are** using the same format **as the published** pairings. Therefore, **the** Minimum Rest Period shown is for arrival **at the gate** until departure in the morning (Time **in to** Time out).

Dated May 4, 1992

For the Pilots:



For the Company:

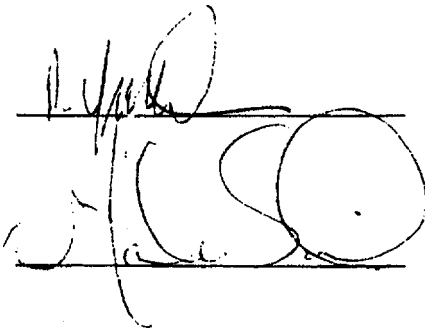


Pilot Agreement - 11 May 1992

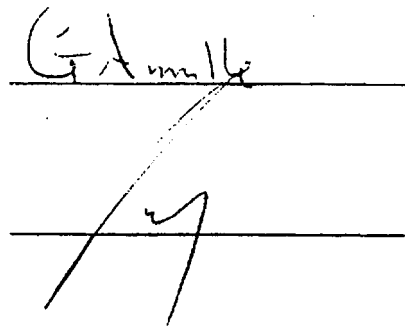
Signed at Halifax (place) in the Province of Nova Scotia

this 18 day of June 1992

FOR THE PILOTS:



FOR THE COMPANY:



SECTION 20 - GRIEVANCE PROCEDURE

20.1 Probation

20.1.1 Persons hired as permanent employees to a position coming within the scope of this Agreement shall be required to serve a probationary period in accordance with Company Policy, and during this probationary period the Company reserves the sole right to make any decision regarding the retention or release of the probationary employee. Therefore, any assessment of the employee or any decision to retain or release the employee during the first six (6) months of their permanent employment may not be appealed or challenged through the grievance and/or arbitration process.

20.1.2 Pilots coming under the scope of this Agreement shall also be covered by all Company rules and regulations previously or hereinafter issued by the Company provided that those rules or regulations are not in direct conflict with the specific terms of a provision of this Agreement.

20.2 Grievance

20.2.1 A grievance is defined as a specific violation of a specific article(s) and/or clause(s) in this Agreement.

20.2.2 All written grievances and written responses must be copied to the Director of Personnel and to the Pilot Association.

20.2.3 Where two (2) or more pilots have individual grievances which are sufficiently common in nature that they may be conveniently dealt with as a single grievance, such grievance may be filed as a group grievance.

20.3 Initiation

20.3.1 In the case of a complaint with respect to the interpretation, application or alleged violation of this Agreement, prior to filing a grievance, the pilot(s) having a complaint shall, together with an Association representative if desired, discuss such complaint with the appropriate Chief Pilot Who will make every effort to resolve the complaint.

20.3.2 A pilot (or pilots) who has a grievance with respect to the interpretation, application or alleged violation of this agreement or with respect to discipline or discharge, shall deal with such grievance in accordance with the procedures as specified in Articles 20.3.3 through 20.5.3 below.

20.3.3 Grievances must be submitted in written form bearing both the signature of the griever(s) and the date of the grievance and must contain:

- a) The nature of the grievance and the circumstances under which it arose.
- b) The Section(s) or Article(s) of the Agreement alleged to have been violated.
- c) A statement as to the requested remedy or relief sought.

20.3.4 Grievances of a general or policy nature may be initiated by the Association or the Company.

- 1.6 PROTEST PERIOD - A Protest Period is a period of time during which a pilot may have his schedule modified, arising from a dispute regarding the manner in which any available flying or time off has been awarded with regard to his seniority and the manner in which any available flying should have been properly awarded. The protest must be forwarded to an Air Atlantic Pilots Association Scheduling Representative within five (5) days from the day upon which the bids have been awarded. This will permit the group to review the Pilot's Bid and respond. If action is requested, then the results of the bids have to be changed to correct the error.
- 1.7 VALUE HOUR - A Value Hour is an amount of time, rounded to the nearest minute, which is used in the calculation of, and construction of a Pilot's monthly schedule, accumulated with Flight Time, Duty Time, Vacation Time, Statutory Holiday Time, and/or Training Time, as is the case, to establish the normal monthly maximum of applicable Flight Time or Duty Time, and is to be used for scheduling purposes only.

PART 2 - GENERAL

- 2.1 Subsection 8.5 of the Agreement shall be deemed to have been removed, in its entirety.

PART 3 - BIDDING PROCEDURES


- 3.1 Pairings shall be prepared by the Company. Open communication must exist between the Pilot Committee Scheduling Representatives and the Company. Consultation shall occur and copies of the bid package shall be offered for review at monthly meetings with Management, except by mutual written agreement, including at least two-thirds (2/3) of the Pilot Committee's Scheduling Representatives, prior to the publishing and distribution of the bid package. This meeting shall be held at some time during the period commencing the day after the final day of the Protest Period up to, and including, two (2) days before the bid package is scheduled for release.
- 3.2 The bid package shall be distributed to pilots by 18:00 local time on the twenty-fifth (25th) day prior to the end of the month preceding the month in which the schedule is to take effect.
- 3.3 A pairing summary of known flying shall be published for bid and shall not contain less than the following information:
- a) Pairing number;
 - b) Pairing and frequency showing the day of the month and the effective dates the pairing operates;
 - c) Flight numbers;
 - d) Local departure and arrival times for each station;
 - e) Local time at which duty ends;
 - f) Total duty time;
 - g) Pairing total flight time;
 - h) Name and telephone number of hotel;
 - i) Name and telephone number of local ground transportation company;
 - j) Planned meal and expense allowance;
 - k) Total time away from base.


- 3.4 The bid package shall consist of the following.
- a) A pairing summary;
 - b) A bid sheet;
 - c) The date of closing and the date of issue of the awarded Lines;
 - d) A list of pilots who require any type of training and the dates that such training shall be available or scheduled;
 - e) A list of awarded vacation and days off in lieu of statutory holidays for the bid period;
 - f) The number of Reserve Blocks available for bid;
 - g) A copy of a calendar for the month being bid, and copies of the calendars for the months preceding and following the current bid period;
 - h) The bid window to be used in the construction of the Lines.
- 3.5 Each pilot may submit a bid form indicating his preferences with respect to performing a portion of the duties published by the Company and his preferences in a form established by mutual written agreement between the Association and the Company.
- 3.6 A pilot who is absent from his base or on Sick Leave at the time the bid packages are issued, may arrange to have another pilot bid on his behalf. The pilot who submits the bid will ensure that his name is clearly indicated on the bid form. A pilot on long term Sick Leave who is unable to provide a confirmed date of return shall not be eligible to bid for the following month.
- 3.7 A bid transmitted by facsimile is acceptable, provided that the pilot subsequently submits the original copy by normal means. A bid may be relayed by telephone only when a pilot is not able to submit his bid form by other means and he is on Leave or Vacation.
- 3.8 Bids may be accepted later than the closing date and time if the extenuating circumstances are deemed appropriate by the Crew Planner or the Manager of Inflight.
- 3.9 A pilot with four (4) or more consecutive vacation days may bid, and if so, shall be awarded a Line that contains the two (2) days off immediately before and after the vacation period. A pilot with three (3) or less consecutive vacation days may bid, and if so, shall be awarded a Line that contains either the two (2) days off immediately before or after the vacation period.
- 3.10 Completed bid forms shall be submitted to the Crew Scheduler no later than 09:00 local time on the twentieth (20th) day prior to the end of the month preceding the month in which the schedule is to take effect. The Company will issue the final Lines in published form to all pilots by 18:00 local time on the tenth (10th) day prior to the end of the month preceding the month in which the schedule is to take effect.
- 3.11 A multi-day pairing shall consist of either flying duty or reserve duty, but not both.
- 3.12 If a pilot is scheduled for a reserve duty period and it appears as though he may not meet the Company requirement of forty-five (45) hours flying time over a ninety (90) day period, the pilot may make request to the Company Check Pilot to displace another pilot. The pilot being displaced shall be placed on reserve for the time period that his original pairing was scheduled.
- 3.13 Unless otherwise indicated on a pilot's Bid Sheet, a maximum of six (6) consecutive planned working days must be followed by two (2) days off.

This letter of Agreement will become effective on the date that it is executed and shall continue in full force and effect until May 31, 1999.

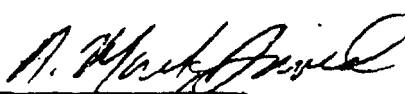
DATED: April 06, 1994.

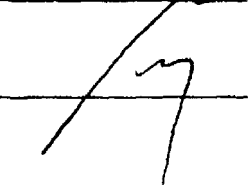
For the *Air Atlantic Pilot Association*:





For the Company:





LETTER OF UNDERSTANDING NUMBER 11

- 0.1 The purpose of this Letter of Understanding Number 11 (hereinafter referred to as LOU 11) is to outline and make binding the terms and conditions of a Preferential Bidding System, and to remove, modify and append certain Articles contained in Section 9 of the Collective Agreement (hereinafter referred to as "the Agreement") signed by Air Atlantic Ltd. (hereinafter referred to as "the Company") and by the Air Atlantic Pilots Association (hereinafter referred to as "the Association") on the 18th day of June, 1992 in Halifax, Nova Scotia.
- 0.2 This LOU 11 shall remain in full force until one or both parties agree, in writing, that they wish to revoke this LOU 11, in which case, any part or parts of the Agreement herein removed, modified, or appended, shall return to their original form as evidenced on the date prior to the date of signing of this LOU 11.
- 0.3 Any Articles in the Agreement or additional conditions appended thereto which are not specifically removed, modified or appended by this LOU 11 shall remain in full force and effect.
- 0.4 This LOU 11 shall be deemed to expire immediately in the event that a new Collective Agreement is signed by the Company and the Association.
- 0.5 It is understood that any references contained in this LOU 11 to the masculine gender shall also pertain to the feminine gender. Any reference in the singular shall also pertain to the plural.

PART 1 - DEFINITIONS

- 1.1 FAMILY PAIRING - A Family Pairing is a generic bid indicating only preference as to the start time of a pairing and the number of days in such pairing.
- 1.2 LINE - A Line is the sequence of awarded pairings, days off, training, leave and other obligations issued to the pilot as a result of a preferential bid.
- 1.3 MONTH - a complete calendar month. For the purposes of this Agreement as it applies to flight and scheduling limitations, January shall be considered to be from January 1st to January 30th, inclusive. February shall be considered to be from January 31st to March 1st, inclusive. March shall be considered to be from March 2nd to March 31st, inclusive. In any leap year, February shall be considered to have thirty-one (31) days. June shall be considered to be from June 1st to July 1st, inclusive. July shall be considered to be from July 2nd to July 31st, inclusive. August shall be considered to be from August 1st to August 30th, inclusive. September shall be considered to be from August 31st to September 30th. A month shall be the normal bid period in this Agreement.
- 1.4 PREFERENTIAL BID - A Preferential Bid is a method of constructing Lines for pilots in which available flying is distributed according to a set of rules as contained herein.

4) **Pagers:**

Each pilot shall be furnished with a pager at no cost to the pilots.

5) **Schedule:**

5A) The pilot shall work six (6) days on duty - three (3) days off duty schedule. The shifts will be as follows:

Day Shift 07:00 - 19:00.
Night Shift 19:00 - 07:00.

5B) Other than on their days off, pilots shall keep their pagers in proper working order and selected "ON" at all times.

5C) The on duty pilots must be prepared to dispatch the aircraft no later than thirty (30) minutes after the quest for Air Ambulance service.

6) **Accommodations:**

A facility will be available for the pilots so as to ensure a comfortable environment when on duty and not flying. The facility will be furnished with two (2) individual rooms with a bed in each. Laundry service will be supplied. A microwave, fridge, TV, VCR and other amenities as required will be furnished.

7) **General:**

7A) Subject to paragraph 7B, the Air Ambulance pilots shall be locked into their positions for two (2) years from the date of assignment to type, but the company reserves the right to reassign.

7B) A pilot cannot take a position on another aircraft type until the company has found a qualified pilot to replace his position. The Company commits to seeking a replacement as expeditiously as possible. This replacement pilot must be acceptable to the government.

7C) If a pilot has bid on a position and has been awarded that position by the Company, the Company will hold that awarded position for that pilot until the conditions of this paragraph 7 have been fully complied with.

8) **Furlough:**

8A) If a non-probationary pilot more senior to an Air Ambulance pilot is to be furloughed, then that pilot can displace a more junior Air Ambulance pilot, if the pilot has the minimum qualifications for the Air Ambulance pilot position and is acceptable to the government.

8B) If the more senior pilot cannot hold a Air Ambulance Captain position because of lack of the following qualifications:

For Captain: 2500 hours PIC MEL Turbine.
 100 hours on type.
 ATPL.

then that pilot(s) can displace the next less senior First Officer position and the most junior pilot will be furloughed.

- 8C) If three Dash-8 First Officer positions are targeted for layoff, and subsequently the full three K-200 First Officer positions are replaced by the Dash-8 First Officers, then the two K-200 Captains, (if they are junior to the three K-200 First Officers), will have their pay reduced to the 0 - 1 year Captain scale (\$30,000) for such period of time as a more senior pilot is occupying a junior position.
- 8D) If four Dash-8 First Officer positions are to be eliminated, and paragraph 8B is applicable, then subject to paragraphs 8I and 8J below, the Company will protect one pilot position by (i) keeping the pilot on the Dash-8 to be utilized for special Flight Operations programs as determined by the Company in its sole discretion, (ii) assigning the pilot as a First Officer on the K-200, or (iii) a combination of options (i) and (ii) as determined by the Company in its sole discretion.
- 8E) If five or more Dash-8 First Officer positions are to be eliminated, and paragraph 8B is applicable, then subject to paragraphs 8I and 8J below, the Company will protect 2 pilot positions by (i) keeping the pilot(s) on the Dash-8 to be utilized for special Flight Operations programs as determined by the Company in its sole discretion, (ii) assigning the pilot(s) as First Officers on the K-200, (iii) a combination of options (i) and (ii) as determined by the Company in its sole discretion.
- 8F) A minimum of three pilots must be on full lay off status, the three K-200 First Officer positions filled through displacement and one or two positions targeted for lay off in order for one or two positions to be protected from lay off.
- 8G) Notwithstanding anything else contained in this paragraph 8, a maximum of two pilot positions will be protected at any one time in accordance with the terms in this Letter of Agreement. For greater clarity, if two pilot positions are currently protected and a subsequent layoff or layoffs occur, no further pilot positions will be protected by the Company.
- 8H) If a First Officer upgrades to Captain status, his pay will be adjusted accordingly only if all the other First Officers are more junior.
- 8I) If one K-200 Captain position is filled by a pilot senior to the First Officers, then only one protected position will exist.
- 8J) If both K-200 Captain positions are filled by pilots senior to the First Officers, then no protected positions will exist.
- 8K) In the event of a recall of the furloughed K-200 pilot(s), the Dash-8 pilot(s) who originally displaced the K-200 pilot(s) shall bid back to the scheduled flying and the recalled pilot(s) return to K-200.

9) **Essential Service:**

In recognition of the Company's unique obligations under the Air Ambulance contract, the parties agree that the Air Ambulance service, to be provided by the Company, is an essential service and that during my strike of any kind what so ever, (including but not limited to work stoppages, slow downs, any concerted activity by members of the bargaining unit or my other interference what so ever with the normal business activities of the Company) either directly against Air Atlantic or in support of other organizations, the pilots assigned to the Air Ambulance service shall continue to work and the Company's Air Ambulance operation will not be affected in my way.

To: Chairman
Air Atlantic Pilots Association

Subject: Letter of Intent for Cost Allocation of Preferential Bid System

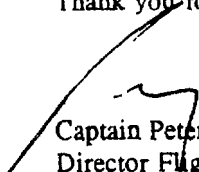
Dear Sir.

The company and the AAPA conducted a joint study to determine the dollar value of the savings realized by the reduction in days ~~owed~~. **during** a trial period of the Preferential Bid system. The attached Letter of Intent specifies the conditions and particulars of the study. After a **thorough analysis and** comparison of ~~data~~ it **has been** determined that a cost savings equal to ~~an~~ amount of \$600.00 per pilot ~~was realized~~ (based on current ~~staffing~~ levels of 115 pilots, CCPs included).

I will be issuing a memorandum to **the pilot group** to request **their** desired particulars of payment. such as **minimum tax ect.**

As per our agreement the Letter of Intent, **dated** September 24, 1993 (attached) Will become null **and** void, **with** issue of **this** letter. please confirm same in **writing**.

Thank you for the opportunity to **trial** run **the** system, **as** it proved **very** worthwhile.



Captain Peter T.R. Bing
Director Flight Operations

cc: Stephen Wetmore, Chief **Financial Officer**
A. **Mark** David, Director **Human Resources and Legal Council**

Air Atlantic

Partenaire Canadien Partner

LETTER OF AGREEMENT NO 10

Air Ambulance Operation

The purpose of this Letter of Agreement is to specify exceptions to the work rules and rates of pay otherwise contained in the Collective Agreement made, on the 18th day of June 1992, between the Air Atlantic Pilot Association and the Company, for the pilots assigned to the Air Ambulance Operation.

The Air Ambulance project is an essential service whose primary purpose is to transport patients via air within, but not limited to, the Maritime Provinces, as well as transporting organ transplant teams within and outside of the Maritime Provinces.

1) **Rate of Pay:**

<u>Years of Service</u>	<u>Captain</u>	<u>First Officer</u>
0 - 1 Year	\$30,000.	\$24,000.
1 - 2 Years	\$34,500.	\$25,000.
2 - 3 Years	\$36,000.	\$26,000.
3 - 4 Years	\$37,500.	\$27,000.
4 - 5 Years	\$40,000.	\$28,000.

2) **New Hires and Upgrades.**

Due to the qualifications established for the K-200 Captain positions by the appropriate government authorities (the "government"), new hires and/or upgrades to Captain position will begin their pay at the 1 - 2 year scale.

3) **Uniforms:**

Uniform components shall consist of the following:

- two (2) flight suits (navy blue) - replaced every two years.
- six (6) shirts - replaced every year.
- two (2) neckties - replaced every year.
- one (1) sweater - replaced every year.
- one (1) jacket (navy blue) - replaced every three years.
- one (1) parka (navy blue) - replaced every three years.

3.14 The following caps will be placed on days off when constructing a pilot's monthly schedule:

- a) in a 30 day month - sixteen (16) days;
- b) in a 31 day month - seventeen (17) days.

It is understood that this Article must be reviewed every three (3) months

3.15 The following bid window values will be used to determine a pilot's full monthly flying block

- a) Block Hours - 81:00 to 86:00 or 85:00 to 90:00;
- b) Duty Hours - 168:00 to 173:18.

3.16 If a pilot chooses to bid for low flying pairings (Least for Most), this is acceptable, and the pilot will not be granted less than ten (10) days off.

PART 4 - SHIFT TRADES

4.1 Shift trades shall be allowed in accordance with the following restrictions and considerations

- a) Pilots shall be allowed to engage in shift trades, including scheduled training sessions within a single month, with other pilots sharing common assignment in status and equipment, subject to the approval of a Company Check Pilot;
- b) Pilots wishing to trade shifts should put their request in writing to the Crew Scheduler at least three (3) days prior to the date during which the traded pairing would occur. The Crew Scheduler shall approve or disapprove all shift trades within two (2) days of submission. Should a shift trade be disapproved, the Crew Scheduler shall briefly outline the reason of the disapproval to the parties of the trade at the time of notification of disapproval;
- c) Shift trades at bases other than those where a Crew Scheduler is retained may be submitted by facsimile or by telephone, at Company expense;
- d) Once a pairing has been traded, it becomes part of the pilot's Line;
- e) Notwithstanding Article 4.1(b), pilots shall be allowed to engage in shift trades, for the purpose of trading pairings or days off only, less than three (3) days prior to the date during which the traded pairing or day off would occur, subject to Supervisory approval.

4.2 In the case of a shift trade requested for the end of a month wherein the pairing being traded carries into the next month, approval may not be granted until such time as that following month's schedule has been awarded.

PART 5 - PREFERENTIAL BIDDING RULES

5.1 The bid form shall be of a type and style as determined by mutual written agreement between the Company and the Association, and may be amended at any time in a likewise manner.

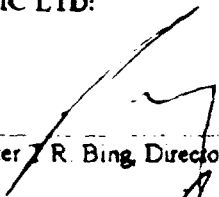
- 5.2 Preferences that a pilot may indicate on his bid form may consist of, but shall not be limited to, the following, and may be entered in any order, with multiple occurrence, to a maximum of fifty (50) entries.
- a) Selection of specific days off,
 - b) Selection of weekend days off,
 - c) Selection of regular days off on a weekly basis,
 - d) Selection of specific pairings on specific dates,
 - e) Selection of specific pairings on non-specific dates,
 - f) Selection of specific pairings on a weekly basis,
 - g) Selection of family pairings on specific dates,
 - h) Selection of family pairings on non-specific dates,
 - i) Selection of family pairings on a weekly basis,
 - j) Selection of daily hours off on specific dates,
 - k) Selection of daily hours off on non-specific dates,
 - l) Selection of daily hours off on a weekly basis,
 - m) Selection of maximum flying in minimum time on a monthly basis,
 - n) Selection of minimum flying in maximum time on a monthly basis,
 - o) Selection of reserve flying,
 - p) Selection of non-desirable flying,
 - q) Selection of no single days off
- 5.3 Any requests for options not indicated above shall be indicated in writing, in a space so provided for on the bid form, and shall be subject to availability and shall only be awarded provided that such request does not affect any other request made in accordance with the above, by any other pilot.
- 5.4 Lines shall be constructed by aircraft type, seniority and classification in accordance with the preferences so indicated on the pilots' bid forms.
- 5.5 For the purpose of constructing the Lines, Value Hours for vacation, time off in lieu of statutory holidays, training, return from leave, days owed and Company business, shall be calculated as follows:
- a) Flight Time - four hours and fifteen minutes (4:15) hours per day,
 - b) Duty Time - eight hours and forty minutes (8:40) hours per day,
 - c) Reserve Time - three hours (3:00) hours per day
- 5.6 Pilots shall be entitled to indicate that a standing bid be retained on file with the Company specifying their selection of family pairings on non-specific dates. Such a standing bid may be withdrawn or amended at any time by advising the Crew Planner in writing on or before the date at which the next scheduled bid package is to be distributed.
- 5.7 A pilot who fails to submit a bid form for a bid period shall have his Line built in accordance with his standing bid on file, or failing such, in accordance with his selection of family pairings on non-specific dates from the most recently submitted bid form on file.
- 5.8 In the case of vacation time taken in any bid period, the guaranteed minimum days off shall be reduced by two (2) days per week of vacation, or prorate thereof as per Article 5.5 above, shall be applied in the construction of the pilot's Line for the month.

- 5.9 In the case of a pilot who is scheduled to return from leave at a time other than the commencement of a bid period, he shall have his days off prorated and Value Hours shall be applied on a prorated basis in the construction of the pilot's Line for the remainder of the month. All days off shall be rounded up, if over point five (0.5) days, and Value Hours shall be calculated on a prorated basis from the remaining portion of the month that the pilot is able to work.
- 5.10 After the Lines have been awarded, a Protest Period of five (5) days shall be allowed for the correction of any errors revealed as a result of Line construction errors. Pilots so affected and desiring shall have their schedules adjusted, and the reasons and circumstances for such errors having occurred shall be duly recorded and tabled at regular schedule review meetings between the Company and the Association.
- 5.11 Copies of completed bid forms shall be kept on file by the Company for a period of six (6) months from the first (1st) day of the month for which the bid is effective.
- 5.12 Copies of any or all of the bid forms shall be made available to the Pilot Committee Scheduling Representatives upon request.
- 5.13 Copies of all pairing summaries and awarded Lines shall be distributed to all Pilot Committee Schedule Representatives at the time that Lines are awarded.
- 5.14 In an attempt to improve the Preferential Bidding System, this LOU 11 may be subject to review no later than the twenty-fifth (25th) day of each month prior to the month for which the next bid period is due, by either party advising the other in writing. In any case, no changes shall be made to existing rules between the time following the date that the current bid package is scheduled for distribution, until such time as the Lines have been awarded, except for the purpose of making changes for subsequent bid periods. If mutual agreement cannot be reached on such changes, this LOU 11 shall expire thirty (30) days after one party advises the other in writing that a stalemate has occurred.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding Number 11 in the city of Halifax, in the province of Nova Scotia, on this twelveth (12th) day of October, nineteen hundred and ninety four (1994).

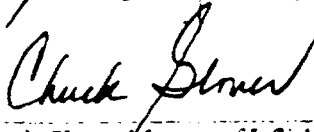
FOR AIR ATLANTIC LTD:

Signed:



Peter J. R. Bing, Director of Flight Operations


Signed:



Chuck Glover, Manager of Inflight Services

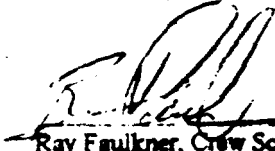
FOR THE ASSOCIATION:

Signed:



Carl Warren, Vice Chairman

Signed:



Ray Faulkner, Crew Scheduling Representative

Letter of Understanding Number 12

Between:

Air Atlantic Ltd. (the "Company")

-and-

The Air Atlantic Pilots Association (the "AAPA")

INTRODUCTION

- A The Company's management recognizes the support and ongoing efforts of all employees of the Company in providing outstanding levels of service to our customers over the past eight years. It is also recognized that the wage scales of Company employees are below that of similar commuter airlines in Canada. The support of all the employees is critical to the success of Air Atlantic, and to that end the Company recognizes that employees must have the opportunity to participate in the future prosperity in the Company.
- B The Company and its employees each recognize that the Company requires aggressive cost control during the three year period after the Company emerges from BIA protection. Specifically, all costs must be closely controlled until the Company can demonstrate a healthy balance sheet and achieve profit targets.

AGREEMENT

- 1 The monetary issues in the Collective Agreement made between the Company and the AAPA which expired on December 31, 1993, including all Letters of Understanding attached to that Collective Agreement, will be extended as is until December 31, 1997, provided that such extended Collective Agreement shall include the Agreements contained in this Letter of Understanding. The Company and the AAPA agree that they shall meet to negotiate non-monetary issues no later than March 1, 1995.
- 2 Any AAPA member currently employed on the DHC-8 equipment type who becomes a pilot on the Jetstream 41 aircraft type (the "J-41") as a result of the changes to the configuration of the Company's fleet shall maintain their current DHC-8 rates of pay. For example, (1) a DHC-8 Captain with 3-4 years of service as a captain shall continue to be paid on the DHC-8 scale based upon the same number of years of service as a Captain even though they are now flying as Captain on the J-41, and (2) a DHC-8 First Officer shall continue to be paid on the DHC-8 scale based upon years of service with the Company.

Example 1

A DHC-8 Captain with 3-4 years of service as a DHC-8 Captain is paid a salary of \$50,400.00. If that Captain becomes a Captain on the J-41, their salary will be \$50,400.00.

Example 2

A DHC-8 First Officer with 3-4 years of service is paid a salary of \$31,428.00. If that First Officer becomes a First Officer on the J-41, their salary will be \$31,428.00.

- 3 Any AAPA member currently employed on the BAe-146 equipment type who becomes a Captain on the J-41 as a result of the changes to the configuration of the Company's fleet shall be paid on the DHC-8 salary scale based upon their years of service with the Company as a Captain on all equipment types.

Any AAPA member currently employed on the B.Ae-146 equipment type who becomes a First Officer on the J-41 as a result of the changes to the configuration of the Company's fleet shall be paid on the DHC-8 salary scale based upon their total years of service with the Company

For example, a B.Ae-146 Captain with 0-1 years of service as a B.Ae-146 Captain and 2-3 years of service as a DHC-8 Captain shall be paid on the DHC-8 scale based upon the total years of service with the Company as a Captain on all equipment types even though they are now flying as a Captain on the J-41, and (2) a B.Ae-146 First Officer with 4-5 years of service with the Company shall be paid on the DHC-8 scale based 4-5 years of service with the Company even though they are now flying as a First Officer on the J-41.

Example 1

A B.Ae-146 Captain with 0-1 years of service as a B.Ae-146 Captain and 2-3 years of service as a DHC-8 Captain is paid a salary of \$65,100.00. If that Captain becomes a Captain on the J-41, their salary will be based on the DHC-8 scale at the 3-4 year scale, and their salary will be \$50,400.00

Example 2

A B.Ae-146 First Officer with 4-5 years of service is paid a salary of \$37,160.00. If that First Officer becomes a First Officer on the J-41, their salary will be at the "4 years and after" level and will be \$33,072.00

4. The "grandfathering" provided for in paragraphs 2 and 3 hereof shall also apply to all pilots laid off between October 14, 1994 and May 1, 1995. For example, if a First Officer who was paid at the 2-3 year level on the DHC-8 and who was laid off between May 1, 1995, is recalled to service, they will be paid at the 2-3 year level on the DHC-8 scale effective upon their return to service

Commencing no later than March 1, 1995, the Company and the AAPA shall meet to negotiate a wage scale for the J-41 which will be applicable to all new hires permanently assigned to the J-41

5. The Company and the AAPA agree that monthly flight time in excess of (eighty-five hours and monthly duty time in excess of One Hundred Seventy-Three and Three-tenths (173.3) hours respectively shall be considered overtime and treated as follows.

One (1) hour of overtime flight time shall be equal to one and one-half (1.5) hours banked time and one (1) hour of overtime duty time shall be equal to forty-five (45) minutes banked time. When banked time accumulates to four hours and fifteen minutes (4.75), that pilot shall accrue a paid day off.

If at the end of a calendar year a pilot has less than four hours and fifteen minutes (4.75) in their time bank then that pilot shall be paid for that banked time at the overtime rate specified in the Collective Agreement. Further, if the Company cannot accommodate the requested day(s) off within sixty (60) days after a written request is made, then at the pilot's option, (a) the day off may be paid out at the overtime rate, or (b) the pilot may carry the day off to be granted within the next sixty (60) days. If, at the end of a calendar year, the Company has not been able to grant a pilot their request for a day(s) off, then that pilot shall be paid for that day(s) off at the overtime rate

6. The provisions of section 15.3.5 of the Collective Agreement shall be amended by adding the following sentence to the end of that section:

Notwithstanding the foregoing sentence or anything contained in the Company's Administrative Practices Manual, pilots permanently assigned to the J-41 aircraft type shall be required to take days off in compensation for statutory holidays and shall not be entitled to have their Statutory holidays paid out

- 7 After giving effect to the provisions of paragraphs 2-6 inclusive, the total wages and benefits of AAPA members (to include all monetary items) will be frozen at current levels until December 31, 1995
- 8 In 1996, the Company will give an across the board increase of 2% in the total wages and benefits of all employees of the Company, including all AAPA members. This increase is conditional upon the Company's actual net profit before income taxes for 1995 (as reflected in the Company's audited financial statements for that year) exceeding the Company's projected 1995 net profit before income taxes (as reflected in the Company's Business Plan, a copy of which Business Plan will be given to the Creditors of the Company who will become Shareholders of the Company) by an amount not less than the amount of the total proposed 1996 wages and benefits increase
- 9 In 1997, the Company will give an across the board increase of 3% in the total wages and benefits of all employees of the Company, including all AAPA members. This increase is conditional upon the Company's actual net profit before income taxes for 1996 (as reflected in the Company's audited financial statements for that year) exceeding the Company's projected 1995 net profit before income taxes (as reflected in the Company's Business Plan) by an amount not less than the amount of the total proposed 1997 wages and benefits increase.
- 10 The Company shall meet with the AAPA Pilot Committee by January 31, 1995, and detail for them the 1995 and 1996 financial projections contained in the Business Plan.
- 11 Subject always to the terms of the Collective Agreement, nothing in this LOU shall be construed to detract from the rights of Management and the Company
- 12 During the life of this Agreement:
 - (a) the Company shall not cause or engage in any lockout, and
 - (b) the AAPA shall not call or authorize a strike or any other form of industrial action

until all the procedures provided for in the Collective Agreement and in the Canada Labour Code for the adjustment and settlement of disputes or for the avoidance of interruption of work have been exhausted

Letter of Understanding

Between:

3075958 Canada Inc. ("Newco")

- and -

The Air Atlantic Pilots Association ("AAPA")

INTRODUCTION

1. **Air Atlantic Ltd.** (the "Company") and the AAPA are parties to a Collective Agreement made April 30, 1992, as well as to a number of Letters of Understanding made under the terms of such Collective Agreement (which Collective Agreement and all Letters of Understanding are collectively referred to as the "Collective Agreement");
2. On November 7, 1994, the Company filed a Proposal to its creditors under the provisions of the *Bankruptcy and Insolvency Act (Canada)*, which Proposal was accepted in amended form by the creditors of the Company on November 28, 1994 (the "Proposal");
3. The Effective Date under the Proposal (the "Effective Date") means the later of:
 - (a) 14 days following the expiry of any appeal period with respect to the approval of the Proposal by the Supreme Court of Newfoundland in accordance with section 60 of the *Bankruptcy and Insolvency Act (Canada)*, or, in the event of any appeal, the date of the **final** disposition of that appeal;
 - (b) December 31, 1994; and
 - (c) the earlier of January 31, 1995 and the date that Newco **has** received all necessary and final Canadian and United States aviation authority approvals, licenses, certificates and other authorities to **carry** on its proposed airline business.
4. Newco **has** been incorporated to **carry** on the business formerly carried on by the Company **as and** from the Effective Date;
5. Under the Proposal, prior to the Effective Date, a class of secured creditors will cause Ernst & Young Inc. to be appointed **as** a receiver (the "Receiver") of the Company with authority to convey the assets of the Company to Newco;
6. On the Effective Date, it **is** intended **that** the Receiver will assign the Company's interest in the Collective Agreement to Newco, and that **as** and **from** the Effective Date,

Newco will assume the Company's obligations and responsibilities under the Collective Agreement:

AGREEMENT


1. The AAPA hereby consents to the assignment of the Collective Agreement by the Receiver to Newco on the Effective Date, and agrees with Newco that as and from that date the AAPA shall have the same obligations and responsibilities to Newco as if Newco was, and always had been. the Company, and specifically. that the employment of ail AAPA members employed by the Company on the Effective Date shall be deemed to be continued by Newco on the Effective Date without any terminations of employment by the Company.

2. Newco agrees with the AAPA that as and from the Effective Date, it shall assume all of the obligations and responsibilities of the Company to the AAPA as if Newco was, and always had been, the Company, and specifically, that the employment of all AAPA members employed by the Company on the Effective Date shall be deemed to be continued by Newco on the Effective Date without any terminations of employment by the Company.

IN WITNESS WHEREOF Newco and the AAPA have executed this Letter of Understanding on January 19, 1995.

For Newco:

For the AAPA



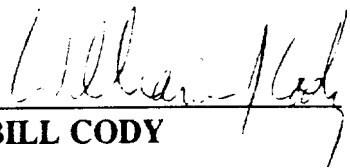
PETER BING



CARL WARREN



A. MARK DAVID



BILL CODY

Letter of Understanding No. 14

Between

Air Atlantic Ltd. (The **Company**)

and

The Air Atlantic Pilot Association (AAPA)

- 1 **Dash-8-100** and Jetstream 4100 (J41) shall be considered the same in respect to rates of pay for **all** pilots assigned to these aircraft **types**.
- 2 Pilots must take their statutory holidays in the form of payout at the normal daily overtime rate. The AAPA recognizes and agrees that the Company, at its' sole discretion but always subject to the collective agreement. shall determine and set staffing levels **as** required. The company reserves the **right** to approve individual requests for taking days in lieu of pay, such request to **be** approved in the companies sole discretion.
- 3 **The AAPA shall** immediately rescind their directive that pilots not work on their days off while other pilots are on lay of status **and** agrees **that** in the **future it shall** not interfere with pilots voluntarily working on their days off notwithstanding any *drafting* procedures **as** outlined in the Canada **Labor** Code.
- 4 Any pilot who is awarded, reassigned. or changes aircraft **type**, shall be **locked** into that position for two (2) years form the date he/she flew their first revenue **flight** after successful completion of line indoctrination, however. the Company **has** the right to **reassign**. The **only** exception to the two year lock in period is a pilot who **has** been **bumped** to a lower position by a more **senior** pilot.

The First Officer rates of pay will be amended **to** add another pay level **as follows**:

Dash 8 -100

<u>Years of Service</u>	<u>First Officer</u>
5 years and after	\$34,064.00


BAe146

<u>Years of Service</u>	<u>First Officer</u>
6 years and after	\$39,379.00

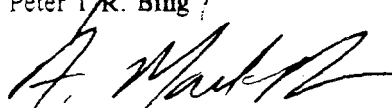
The contents of ~~the Collective Agreement~~ between the Company and the AAPA made June 18, 1992, and all LOU's made pursuant ~~thereto~~ shall remain in full force and *effect* except as specifically amended by the terms hereof. Any **reference** in any previous LOU's with respect to **grandfathering rates of pay** is hereby deleted.

In the witness whereof. the Company and the AAPA have executed this letter of understanding at **Halifax**, Nova Scotia on January 28, 1995.

For the **Company**:

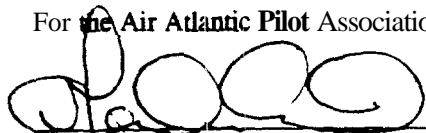


 Peter T. R. Bing




 A. Mark David

For the Air Atlantic Pilot Association:



 J. Sokolowski



 Carl W. [unclear]

Air Atlantic Pilots Association

6 Horwood Street, St. John's, Newfoundland, Canada A1A 1X5

February 11, 1995

Dear A.A.P.A. Members

I would firstly like to thank you for your interest and input into the BIA and negotiation processes from which we have recently and successfully emerged. We feel that we have a place to go from here but up, and we anticipate your continued input as we rebuilt our airline. I am writing this letter in the absence of our new Chairman, Galen Sokolowski, who is vacationing in Florida.

You will find attached a copy of **Letter of Understanding Number 14** for your perusal. I would like to briefly outline the steps that lead to the signing of this document, and explain the unprecedented telephone poll that we had undertaken last Friday, January 27th. By the way, LOU 13 constitutes the **Transfer Agreement** of our Collective Agreement to Newco (Air Atlantic 1995 Ltd.) and although it was very necessary, it largely consists of legal mumbo-jumbo. It will be posted shortly on A.A.P.A. notice boards.

As you know, **the Pilot Committee** initially resolved not to sign LOU 12, citing interference in our voting process as the **main reason**. **This interference came** as a memo issued by Right Operations changing two of the main clauses of the LOU a few days after the document was put out to vote. It looked at that time that the LOU would not have passed, so the Company **sweetened the pot slightly** with this memo, and we feel that **this act changed the result of the vote to a 54% acceptance**. We felt that the 54% **did not represent a ratification** of the original document as was given **tentative agreement** by the Bargaining Committee in late October, so we therefore **deemed the result to be erroneous and not binding** on us.

Due to complications in **meeting** with key Air Atlantic Management persons, and the weeks lost due to Christmas, the issue **did not arise again until mid January**, when it **became** evident that we **had not**, in fact, signed LOU 12. We reopened negotiations with the Company, and **it was their position** that they did, in fact, consider LOU 12 binding. Talks deteriorated for a few days, and **finally we decided** that we were getting nowhere, by taking a confrontational stance **against** one another. We fully understand the stress levels that were evident at this time, as we felt them too. We can only **hope that any damages** in our labour relations that may have been **caused during this stressful time have been forgotten**. Cooler heads eventually prevailed, and we **reached a mutually acceptable deal** with the Company shortly thereafter.

In creating the **concept of LOU 14**, we **had** to keep in **mind** the fragile state of the Company and worked on a **"zero cost" basis**. It **must** be clearly understood that we do not **consider LOU 14 to be any kind of a major victory against the Company**, as we gave them means to **make up the small costs of LOU 14**, to our mutual benefit.

To keep things in perspective, the Pilot Committee **rescinded its motion not to sign LOU 12**, and we did in fact sign it, before LOU 14 was signed. The Company requested this signing order and requested that we make a **"leap of faith"** that they would sign LOU 14 right after. We trusted the Company on this, that they would not withhold the signing of LOU 14, and they did not let us down. LOU 14 was signed within minutes of LOU 12 (close to midnight on Friday night, actually). LOU 14 was a document that would eliminate and/or modify many of the conditions of LOU 12. Throughout the process, we consulted our lawyer, Mr. Ian Pickard of the law firm of Patterson-Kitz, in **Halifax**. Everything was completely legal and our best interest was assured throughout.

On the "take" side, here's what we gained in LOU 14

- the concept of grandfathering has **been** eliminated, causing any **new hires** to enter at our current pay levels
- the J-41 and the Dash-8 will be considered **qual for pay purposes only**, and for all other purposes, they are to be considered as **separate types**.
- First Officers shall benefit from a 3% wage increase as an additional pay level to be added to current pay scales for all aircraft types. This increase is to **take effect on February 1, 1995**,
- the concept of **segregated Statutory Holiday pay between the J-41** and other types has been **eliminated**, subject to what follows

On the "give" side, here's how we achieved "zero cost"

- we **had to agree** to rescind our request ~~that~~ pilots not work on their days off, and agree not to **ask this** of our **members** again for the **life of the Agreement**.
- we gave the Company the right to **make all** pilots take a cash **payout** for their Statutory Holidays, but we **were** also given an **assurance** that **any pilots who** would like to take the time off would be **given due** consideration. As it **costs more for** the Company to payout stats **than** it costs to have pilots take time in lieu of pay, **we do not foresee** any problems, provided that the **historical 5%** of our group that actually takes time **off** remains approximately **the same**,
- we gave the Company **two years on type for any pilots** transferring to new equipment, up from the present one year. This **two year commitment shall not apply to any pilot who** changes type by exercising bumping rights or is **displaced from his** present **position** by a more **senior** pilot. Should **my** bids be **advertised for additional equipment, and pilots voluntarily bid for such positions**, that pilot shall be **locked** onto that **new type for the two year period** as negotiated. **In reality**, most Company's have **two years on type as a standard, and many have three years** in their contracts. The training cost savings helped to **realize our "zero cost" goals in this regard**

As a totally separate issue, each pilot (including Company Check Pilots) will receive a special pay of \$600.00 per or about March 1, 1995. This is to satisfy the requirements of the Letter of Intent that was signed in **September** of 1993, regarding the experimental Preferential Bid System that was tried at that time. **The Letter of Intent provided for the cost savings to be paid out as a permanent increase to become integral with our wage scales.** This provision was, **however contingent upon a continuation of this system using 2.8 hours credit.** It was decided that this was **unacceptable to our membership**, so this resolution of a one time payout was **agreed upon.** **When the payment to pilots has been made, the Company will be released from any further obligation to us in this specific matter.**

We now are in a position **wherein** we have **given** the Company a "monetary" commitment ~~for~~ three years. The **provisions for the 2% and 3% salary rises, as contained in LOU 12 remain, and we are confident that they will be achieved.** In addition to this, the Company's profit sharing plan is still in **effect, and a payout will be made subject to the profitability of the Company, as was done in the past.** Furthermore, we anticipate that

a proportion of the outstanding 14% share issue will be forthcoming, again enhancing our respective personal financial situations. This matter will be resolved in the not too distant future once the new Board of Directors for Air Atlantic 1995 Ltd. have discussed the matter.

The rest of our Collective Agreement, in "non-monetary" terms, is still to be negotiated, and talks are to be arranged no later than March 1, 1995. As you can see, the concept of "non-monetary" can be quite flexible, as evidenced in LOU 14, and we look forward to improving things even more in the months ahead. In the event that there is a dispute between the Union and the Company as to what is "non-monetary" and that which is "monetary" we have the Arbitration mechanism to resolve such matters. Throughout this process we have retained our ability to take job action, subject to the Canada Labour Code, in dealing with decided!!! "non-monetary" issues only. We will not be in a position to strike, for example, if we were to look for a salary increase beyond that which LOU 12 provides for. This is not at all our intent, but is just used as example.

I should explain the telephone survey that we had Mr. Brett Evans, our Union Consultant, do for us on January 27th.

Under the terms of our Certification and as outlined in our Constitution and Bylaws, the Pilot Committee retains the sole right to enter into agreements with the Company. We are not bound in any way by ratification votes. We do, however, make every effort to give you a say in direction our actions. Normally we do this by a balloting process. Last week though, this was not possible due to very real, court imposed time limits. To retain the confidentiality of our members' opinions, Brett contacted many pilots. He was able from 09:00 to 23:00 on the 27th. The purpose of this survey was to give the Committee a general direction as to how we would deal with LOU 14. We were looking for a trend and after polling more than 50% of the group, the trend became clear that our membership was in favour of our signing LOU 14. In fact, the overall result was 85.5% acceptance. We would have much preferred to give everybody a hard copy of the document, but due to the exceptional circumstances, to preserve our integrity with you, we had no other choice than to proceed in this manner. Several people have questioned the urgency of the January 31st deadline, so we took the idea to our lawyer, and he advised us that the deadline was very real indeed, and he recommended that we proceed in the manner in which we did.

One last problem we had, was our signing authority. Up until 23:00 on Friday, January 27th we did not have a new Chairman elected. As Acting Chairman, I did not have authority to be the sole signer of any document with the Company. Both prospective Chairmen were kept totally abreast of the unfolding situation, and both having been involved in the negotiating process, agreed to sign LOU 14, immediately upon election, subject to:

- approval by our Union legal council,
- approval by the Pilot Committee.
- approval by the membership as indicated in the format of the telephone survey,
- and provided that the Chairman's electoral mandate was such as to indicate adequate support for his respective electoral platform.

All these conditions were satisfied and the documents were signed in Halifax that night.

As a condition of LOU 14 and the fact that all furloughed pilots have been recalled, we hereby rescind our suggestion that pilots not work on their days off.

As indicated on the Ballot Result Forms that were posted in Halifax and St. John's, Wen Sokolowski was duly elected as our new Chairman, and Tom Machum as Crew Scheduling Representative. We welcome them aboard and wish them success in their new positions. I would also like to thank Gord Manuel for the time and *interest* he put into running for Chairman. We look forward to his continued involvement with the Committee. I also thank Charlie Peddle and Steve Leslie for running for Crew Sked Rep and giving Tom a good run for his money. We were all very pleased to see such interest in our work, and we encourage all pilots to think about becoming involved at some point in the future.

Finally, one matter has not been satisfactorily resolved but two others have achieved resolution. The first concerns our Pensions. We are told that this matter had to be put on the back burner for a while during the last throws of the BLA process, but we have been given every indication that the matter will be resolved in our favour in the near future. On the plus side, the matter of overtime not having been paid out has been resolved and we have been given a commitment that the problems that we have been experiencing with Crew Sked will be resolved by May 1, 1995, one way or the other.

Well folks, it's been a hell of a ride! We feel that we have emerged from the vortex in good shape, and we now have the task of building upon our labour relations foundation concluding the negotiations towards a new Collective Agreement, and most importantly, rebuilding Air Atlantic. We have come this far, so let's roll up our sleeves and get down to the next orders of business. In a spirit of cooperation and solidarity, I know we can achieve this!

Thank you for your time, continued support and understanding throughout these very trying times

Sincerely,



**Carl Warren,
Vice Chairman.**

encl. **Letter of Understanding 14**

6) Scheduling an Authorized Absence:

The following table will be used to control the schedule when scheduling an authorized absence such as statutory holidays, training and ground school.

Note

An authorized absence does not include sick days, weekly indemnity, long term disability or a Leave of Absence. As other types of absences occur they be will classified by mutual agreement of Flight Operations management and the committee representatives.

TABLE

STATUTORY HOLIDAY

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

SUBSTITUTE HOLIDAY

- 1
- 3
- 4
- 5
- 7
- 8
- 10
- 11
- 12
- 14

Dated SEPT 24, 1993

For the Pilots:

S. [Signature]

For the Company:

[Signature]

LETTER OF INTENT

The purpose of this Letter of Intent is to outline and make binding the allocation of cost savings realized by the introduction of a mutually approved Preferential Bidding System agreement between the Air Atlantic Pilot Association and Air Atlantic Ltd.

It is understood that four (4) months after the implementation and analysis of the aforesaid Preferential Bid System an actual total dollar amount will be placed on the savings realized by the reduction of days owed. Such dollar value will be determined by joint study by Air Atlantic Ltd. management and the Air Atlantic Pilot Association. It is further understood that such monies shall be distributed to the pilots in the form of an across-the-board percentage wage increase and shall be retroactive to the date of implementation of the Preferential Bid System. Such percentage shall then be retained as part of the basic pay structure provided the Pilot Group continues to be represented by the Air Atlantic Pilot Association.

In addition to the above, a further and final review will take place one year after the introduction of the Preferential Bid System. This review will follow the process outlined above and adjustments to the across-the-board percentage will be made based on that review. This letter of intent will form part but not necessarily all of a total negotiated compensation package with the Air Atlantic Pilot Association.

Dated September 24, 1993

For the Air Atlantic Pilot Association:

A handwritten signature in cursive script, appearing to be "S. [unclear]", written over a horizontal line.

For Air Atlantic Ltd.

A handwritten signature in cursive script, appearing to be "[unclear]", written over a horizontal line.

LETTER OF UNDERSTANDING NO. 08

Whenever a pilot is requested and agrees to fly in excess of 8 legs during a 15 hour duty day period then that pilot will be compensated with a day owed which may be taken as a day off or paid out.

Dated August 27, 1993

For Air Atlantic



A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a smaller, less distinct signature, positioned above a horizontal dashed line.

For the Pilot Association



A handwritten signature in black ink, appearing to be 'S. [unclear]', positioned above a horizontal dashed line.

LETTER OF UNDERSTANDING NO. 09

This Letter of Understanding conforms to the requirement of Section 8.1.1 under the Scheduling Procedures Section of the agreement between the Company and the Pilot Committee, and as such will allow the introduction of the Preferential Bid System effective OCTOBER 01, 1993 for a trial period of not more than 6 months.

1) **Continuous Duty Day Status;:**

To be actively pursued - solutions to be agreed upon by the Company and the Committee. A Pilot Committee Scheduling Representative will be assigned to liaise with crew scheduling on resolving this issue.

2) **Reserve Blocks:**

The bidding of reserve blocks is available to all pilots.

3) **Guaranteed Weekend Days Off :**

The maximum number of guaranteed weekend days (Saturdays and Sundays) off that a pilot may be awarded is five (5).

4) **2.8 Pro-rate Value:**

The 2.8 hour value will be used to pro-rate the remaining days in a month for scheduling purposes, to control flight time.

5) **5.6 Pro-rate Value:**

The 5.6 hour value will be used to pro-rate the remaining days in a month for scheduling purposes, to control duty time.

Letter of Agreement Number Six

Mutual Base Transfer

1. Both parties must be current on the same type of equipment.
2. This transfer request will be kept on file until another transfer request has been received that will accommodate this move. If there is more than one request, seniority will prevail.
3. Both parties will move on their own time and at no expense to the company.
4. The new base will be that pilot's new permanent base.
5. All moves must be approved by the Director of Flight Operations and the Director of Personnel.
6. The moving time must be coordinated with crew scheduling so as not to disrupt the pilot schedule.

Signed at Halifax (place) in the Province of New Scotia
this 10 day of June 1993

FOR THE PILOTS:

S. [Signature]

FOR THE COMPANY

[Signature]

LETTER OF UNDERSTANDING HUMBER SEVEN

Amendments to Hours of Service and Schedule Bidding Procedures and Meals, Allowances and Accommodation Sections of current Agreement

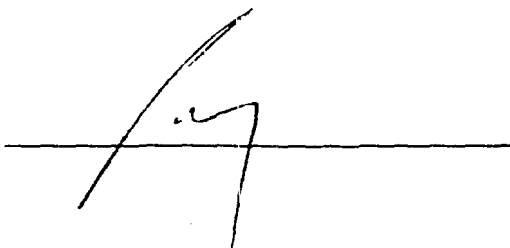
1. Section 8.1.6 shall be amended to read "If a late night **block ends** later than 0030h on a **day off**, then a day **offowed** shall be granted, except in the case wherein a **block** originating in, or transiting through, **St. John's**, Newfoundland, at or after the hour of 1800h ends later than 0130h on a **day off**, then a **day off owed** shall be granted."
2. Section 10.1.2 shall be **amended** to include the following addendum; "In the case of a pilot working a **block** as outlined in **Part 1** of this Letter of Understanding, he/she shall be entitled to **claim** the **applicable** reimbursement far **Supper**, in accordance with Company Policy."
3. It is hereby acknowledged **that** this Letter of Understanding is intended to **serve** the mutual best interests of the **Company** and the Air Atlantic Pilots **Association** in a **continued** spirit of cooperation.
4. This Letter of Understanding **shall** remain in force for the duration of the **current** Agreement or until revoked **by mutual** written consent.

Dated **August 23**, 1993

For the Pilots:

For the Company:





Letter of Agreement Number Four

Transport Canada Inspector Flying Program

1. If a pilot is available to operate his/her scheduled flight(s) and is displaced from his/her awarded schedule because of the Inspector Flying Program, that pilot shall be given the day off.

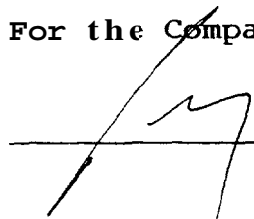
Dated June 15, 1992

For the Pilots:



A handwritten signature in black ink, appearing to read "P. [unclear]", written over a horizontal line.

For the Company:



A handwritten signature in black ink, consisting of a large, stylized initial or set of initials, written over a horizontal line.

Letter of Agreement Number Five

Currency Displacement

If a Pilot is on a reserve block and it appears as though he/she may not meet the Company requirement of forty-five hours flying time over a ninety day period, that Pilot may make a request to crew scheduling to displace another pilot.

The Pilot being displaced may be placed on reserve for the time period their original block was scheduled.

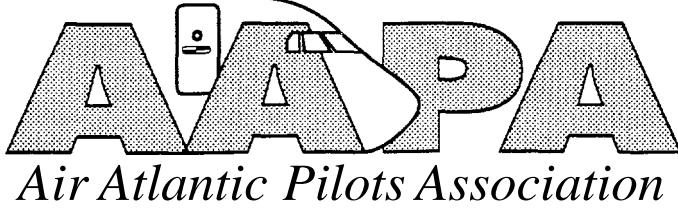
Signed at Halifax (place) in the Province of New Scotia
this 14 day of June 1993

FOR THE PILOTS:

P. McDonald S. Dawson

FOR THE COMPANY:

[Signature]



TO: All AAPA Members

FROM: Bill Cody, Secretary-Treasurer

SUBJECT: All old contract Letters of Agreement and Letters of Understanding (LOA's/LOU's)

DATE: June 20, 1995

Dear Folks:

Firstly, thank you for your vote of support to extend temporarily our mandate. Unfortunately, we had only slightly better than a 50% return. Summertime. Some of us are not Sure why we want to continue, but that's another sad story.

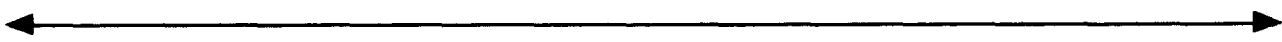
The purpose of this handout is to ensure all Members have all pertinent additions to our old contract. The reason there are ~~so~~ many is of course the difficulty we have had trying to set up negotiations for a new contract during the last year and a half. Also included with this handout are several "Memos" from the Company providing other benefits or allowances that are not included in our old contract. The Company has issued these as "patches" to inequities that ~~they/we~~ we have not had time to put in the form of LOU's. By the way, the only difference between an "LOA" and an "LOU" ~~is~~ semantic - they are simply additional Sections to our old contract.

Some LOU's override/cancel sections from our existing contract. For instance, LOU #11 ~~re~~rewrites much of the crew scheduling, and literally *cancel*s certain clauses from the body of the main contract. If you see any contradictions or are confused by any contractual matter, please feel free to challenge any Pilot Committee representative. We will provide clarification, and hopefully some background to help answer your concerns.

This handout starts with two Sections (20 & 21) which were not in place at the time of signing the old contract. They are in fact the result of LOA #2, as you will see during your review of the enclosed. The additional letters mentioned above are enclosed at the end of the handout. Please insert this handout at the end of your copy of our old contract.

IF YOU NEED A COPY OF THE OLD CONTRACT, **PLEASE** USE THE "COUPON" BELOW.

RETURN THE COMPLETED COUPON TO **BILL CODY** AT YOUR CONVENIENCE.



To : Bill Cody, AAPA Secretary-Treasurer
YHZOWCP

Please forward one copy of our old contract to - NAME _____
 BASE _____ EMPL. # _____
 Thank you. DATE _____

27 1995

**INDEX AND BRIEF EXPLANATION TO
LETTERS OF AGREEMENT/LETTERS OF UNDERSTANDING
ATTACHED TO OLD CONTRACT (EXPIRED DEC. 31/93):**

LOA #1	VACATION BIDDING Still in effect, although somewhat modified with introduction of third aircraft type, re-alignment of pilot bases, and LOU #11.	18 June 1992
LOA #2	GRIEVANCE/ARBITRATION See enclosed Sections 20 & 21.	18 June 1992
LOA #3	CREW REST PERIOD Still in effect. NOTE: Section 8.1.8 details the minimum time allowable between IN & OUT times - it adds up to 10:05 wheels in to wheels out. The only adjustable factor to the formula is the optional 30 minute check-in for abnormal situations.	14 May 1992
LOA #4	TRANSPORT CANADA INSPECTOR FLYING PROGRAM Still in effect.	15 June 1992
LOA #5	CURRENCY DISPLACEMENT Still in effect.	14 June 1993
LOA #6	MUTUAL BASE TRANSFER Still in effect. NOTE: Ask Sec-Treas for appropriate <u>Form</u> if you are requesting this option.	10 June 1993
LOU #7	AMENDMENT TO HOURS OF SERVICE AND SCHEDULE BIDDING PROCEDURES... Still in effect. Original purpose was to give relief to the Company for a particular YR block, and at the same time reward this relief with an extra dinner per Diem.	23 August 1993
LOU #8	WORK DAY IN EXCESS OF EIGHT FLIGHT LEGS Still in effect. See Bulletin posted on AAPA Boards as a reminder to "8 leg rule".	27 August 1993
LOU #9/ LETTER OF INTENT	(ORIGINAL) PREFERENTIAL BIDDING EXPERIMENT & PROVISION FOR CASH-BACK AFTERWARDS NOT IN EFFECT. CANCELLED BY REFERENDUM. SUCCEEDED BY LOU #11. Letter of Intent opened negotiations for \$600 payout received recently.	1 October 1993

- LOU #10 AIR AMBULANCE OPERATION** 6 April 1994
This LOU rapsed with loss of Medevac contract. It has never been distributed to the membership until now. It is important in that several important conditions were achieved that in fact led to our current BA41 pay scale. **Most** important about this LOU were the seniority clauses reached by the AAPA in light of the Contractor's minimum experience requirements for flight crews.
- LOU #11 PREFERENTIAL BIDDING SYSTEM** 12 October 1994
Still in effect. The application of this System is still in a fine tuning stage, with modifications being tested by both Crew Scheduling Reps on an on-going basis.
- LOU #12 SALARY FREEZE** 30 January 1995
Still in effect, however -
Note the late signing date of this now famous LOU 12.
In October, this LOU was referred to the membership for your "opinion". You told us you were not overly enthusiastic about this LOU. At the same time, the Pilot Committee **was** in a leadership transition; the Company had its ownership problems. Many unfortunate things happened in the interim between your vote and the above signing date, including the deep personal losses to two of our Company's Directors.
- LOU #13 ASSIGNMENT OF AAPA COLLECTIVE AGREEMENT TO "NEWCO"** 19 January 1995
Transition document for assumption of our old contract and job conditions to Air Atlantic (1995) Ltd. under "Newco" holdings. Technically of no specific interest, Not previously distributed to AAPA Members.
- LOU #14 BA-41 SALARY/SENIORITY PROVISIONS & F/O SALARY INCREASE** 28 January 1995
Still in effect. Negative provisions of LOU#12 largely mitigated by this document, with resultant modification to F/O pay scale. For further description on this and LOU'S #12 & 13, please refer to Carl Warren's cover letter accompanying LOU#14, attached herein.

AND IT'S NOT OVER YET.

THANK YOU FOR YOUR CONTINUED SUPPORT.

PLEASE VOTE WHENEVER YOU GET THE CHANCE.

PLEASE WRITE WHENEVER SOMETHING **IS** ON YOUR MIND.