

MEMORANDUM OF AGREEMENT

BETWEEN:

The Air Line Pilots in the service of Air Nova, Inc. as represented by the

SOURCE	Com
EFF.	95 06 0
TERM.	98 05 3
NO. OF EMPLOYEES	20
NOMBRE D'EMPLOYES	↓

Air Line Pilots Association ("ALPA")

and

Air Nova Inc. ("Air Nova")

09/18/03

WHEREAS the Air Nova pilots as represented by the predecessor to ALPA and employees of Air Nova commenced a strike on January 10, 1997;

NOW THEREFORE, this Agreement Witnesseth that in consideration of the presents herein, the parties agree to the following terms and conditions subject to ratification by their respective principals.

1. The parties agree to amend the previous collective agreement which expired on May 31 1995 as follows:

A. the new collective agreement shall become effective on date of ratification and shall continue in full force and effect until May 31, 1998;

B. the rates of pay as set forth in section 3 will be adjusted and increased as follows:

- (i) 3% retroactive to June 1, 1995 for pilots in the employment of Air Nova as of the date of ratification, or prorated portion thereof;
- (ii) 3% retroactive to June 1, 1996 for pilots in the employment of Air Nova as of the date of ratification, or prorated portion thereof;
- (iii) an additional 3% increase effective June 1, 1997.

2. Air Nova will provide retroactive pay as calculated pursuant to paragraph 1(b) (i) and (ii) as appropriate within 14 days after date of ratification to pilots in the employment of Air Nova as of the date of ratification.

J. Benet
C. L. L.

3. Each party **agrees** to withdraw **and** abandon **each** and all failure to **bargain** and/or **unfair labour** practice complaints filed one against the other up to the present time and further **agreenot** to file **any** new complaint one **against** the other arising **out of the** circumstances associated **with** collective **bargaining** up to the entering of **this** collective agreement. Air **Nova** also **agrees** to withdraw and abandon its application for Judicial Review of case # A-137-97 in the Federal Court of Appeal.
4. **Air** Nova **agrees** to withdraw **all** outstanding civil **actions**, including those **seeking** injunctive relief and/or damages, filed **in relation** to picketing activity by members of ALPA or its supporters and further **agrees** not to file **any** further civil **actions** in relation to picketing activities by members of ALPA or its supporters. Air Nova further agrees not to support civil actions or applications advanced by third parties in relation to picketing activities **by** members of **ALPA** or its supporters.
5. The parties agree ~~that~~ the arbitrability of **all** grievances filed pursuant to **the terms** of the collective agreement or **agreements in effect** prior to the **strike** commencing January 10, **1997 shall** not be affected by the strike ~~insofar as~~ it relates to timeliness of said grievance.
6. **The** provisions of **this** agreement including Schedules "A" and "B", shall constitute provisions of the collective agreement, provided however **that** Schedule "A" **shall** cease to be effective **as** provided in paragraph I thereof
7. All provisions herein are effective date of ratification unless otherwise specified herein.
8. **This** agreement is subject to **ratification** by the **parties'** principals. **The** parties' respective negotiating teams **must agree** to **unanimously** and individually recommend ratification of the Collective Agreement to their respective Principals.
9. **A** pilot who **has** been transferred to another carrier under the provisions of the "**Surplus Pilot Agreement**" ("**Agreement**") set out in Schedule "A" herein **shall**, upon the expiry of the Agreement, maintain his **seniority** for all purpose ~~at~~ that carrier on the basis of his original Air Nova date of hire.
10. Air Nova **agrees** **that** all pilots employed by it shall be returned **to** the company payroll at the applicable rate by no later **than the** day after the date of ratification in accordance **with** the return to work protocol **as** set out in Schedule "B".
11. Air Nova **will** not **dismiss** or otherwise discipline employees for **strike** related activity, **unless an** employee is found **guilty** of a criminal offense before a **Court** of Justice. **Any** discipline including **discharge** arising out of events that occurred during the course of the strike shall be grievable and arbitrable under the terms of the collective agreement on the **basis** of the just cause **standard**.

SCHEDULE A

Surplus Pilot Agreement ("Agreement")

1. The provisions herein shall apply **only** to the **period commencing OR the day** following ratification of the ALPA collective agreement and ending **on May 24, 1998**. Each pilot employed on **January 9, 1997** will be entitled to full-time employment, **subject** to the provisions of this Agreement.
2. The protection in paragraph 1 does not apply to a pilot who voluntarily leaves the employ of **Air Nova**, who is terminated from employment in a **manner** consistent with the provisions of the collective agreement, who is laid off during or as a result of a **strike** by another bargaining unit of regional airline employees or third party outside the control of Air Nova, or is otherwise unavailable for work.
3. If a pilot is deemed surplus at **Air Nova**, the provisions of **Section 13-2 and 13-4 (Layoff and Recall)** shall apply and he shall be entitled to use his **Air Nova** to select an available vacancy at Air Ontario, Air Alliance, or AirBC ("the other regional companies"). **Surplus** Pilots at Air Nova will be advised by the company of vacancies at other regional airlines. A pilot will have two days after notification of such vacancy to accept or decline. The pilot shall be eligible for all provisions of Section 26-2, 26-3, 26-4 and 26-5 (Moving). 27
c, d
4. If the pilot declines to select **an** available vacancy, the **terms** of **this** agreement shall not apply to such pilot for the duration of **his** layoff unless a junior pilot fills such vacancy **as provided in paragraph 7, below. If he is subsequently recalled to employment at Air Nova,** the provisions of paragraph 3 of this Agreement **shall apply thereafter.**
5. If no vacancy is available at the time a pilot is deemed **surplus**, the pilot shall continue in the full time employ of Air Nova until a **vacancy becomes available at** one of the other regional companies.
6. If a pilot selects **a** vacancy, he shall not be entitled to select another vacancy at one of the other regional companies which may subsequently become available unless he is deemed surplus again.
7. If there is **more than one pilot surplus at the same time, or more than one vacancy available, relative seniority of all surplus pilots shall be used in the selection process.** Vacancies will be offered in descending order of seniority, and in the event of refusal, the most junior pilot must accept the position or opt out of the agreement and accept layoff. 27/e
see p
021
/

8. ~~A pilot who accepts a vacancy at another regional company will be recalled to Air Nova in order of seniority. Recalls will be offered in descending order of seniority, and in the event of refusal, the most junior pilot must accept the position or forfeit his recall rights. Pilots recalled to Air Nova will be entitled to the provisions of Section 13-3, 13-8, 13-9, 13-10, 13-11, 13-12 and 13-14 (Layoff and Recall).~~ 2 1/4
9. Notwithstanding the above, if a pilot selects a vacancy under this agreement to a position on a BAE 146 and is not currently qualified on that aircraft type, he must stay in that position for the duration of this Agreement. In consideration of this, a surplus pilot may decline a BAE 146 vacancy without triggering the consequences in paragraph 4 or 7.
10. While employed in a vacancy at another regional airline, the pilot shall be subject to the pay, terms and conditions in the collective agreement at that airline using the pilot's Air Nova seniority for all purposes. All pilot benefits shall continue uninterrupted on the receiving regional's benefit plan. The pilot will continue to accrue length of service for all purposes. Any pilot transferred under this agreement accepting an upgrade with less than six months left in this agreement (Schedule "A") shall forfeit his recall rights.
11. In the event of a conflict between the provisions of this Agreement and the collective agreement, the terms and conditions of this Agreement govern during its duration.

12. First Officer assignments may be designated by the Company for the **first** twenty-four **(24)** **months** of employment. First Officer assignments **so** designated by the **company** shall not be subject to any **freeze** period. **During** the twenty-four **(24)** month designation period, **First** Officers will be permitted to bid on any Captain vacancies. **All** such vacancies will be filled in accordance with the parameters of **normal filling** of assignment protocol.

During the twenty-four (24) month designation **period** **all First** Officers, irrespective of equipment **type**, will be paid the rate of pay of the Dash-8/100 First Officer relative to their **years** of service.

Any First Officer currently on the **BA-46** prior to January **06, 1997**, including **those** awarded the position on the last bid prior to January **06, 1997**, will be paid **BA-46 First** Officer **salary** in accordance with the rates of pay **as** outlined in the collective agreement.

Signed this Day of March, 1997

For Air Nova, Ltd

For the Air Line Pilots in the service of Air Nova as
represented by ALPA




Joe Randell, President



J.R. Babbitt, President







Schedule "B"

Return to Work Protocol

March 03, 1997

The following shall apply for the Calendar months of March, April and May 1997 (the "spool up period") only. Section 1 of this document shall also apply for the month of June 1997.

1) **Credit Hours**

The Company has the option to plan **95** credit hour months (prorated) for the spool up period. The pilot will have the ability to fly to maximum of **100** credit hours per month (prorated). In any month that is planned over **90** credit hours the bidding window will be **monthly maximum** minus 5 credit hours. **All** pilots will be paid for the **bottom** of the bidding window or their **actual** credit hours whichever is greater (example - 92 credit hour month - the bid window would be 87-92 credit hours, all pilots would be paid for the 87 credit hour month and any pilot who **flew** between 87 and 90 credit hours would be paid at straight time for those credit hours). **Any flying** done in excess of the 90 credit hours will be paid at **1** and $\frac{1}{2}$ times the normal monthly hourly rate.

To increase **operational** efficiencies, training credits and the minimum daily credit, will be reduced to 3 credit hours.

2) **Pilot Return to Active Flying**

During the spool up period, all pilots will return to active duty on reserve status. All efforts will be made to build flying blocks **as soon as** possible.

Pilots will be called in order of seniority by equipment and base **with the exception of** training requirements. All applicable reserve rules **as** per the collective agreement will apply. The following **reassignment rules** are waived **during** the spool up period:

- 15-5.02 a) - will not apply

- 15-5.02 d) - will not apply

ALPA agrees to assist to the fullest extent possible in this process **as** per mutually agreeable arrangements.

Pilots without a valid medical who **are** required for **flying** assignments will be considered **as** unqualified and will be **off** the payroll until such time **as** they renew their medical.

3) **Contingency Flights**

Contingency **flights** will be **withdrawn from** service **as soon as** possible, contingent upon the availability of Air Nova equipment and qualified pilots.

4) **Commercial Strategy**

Subject to commercial requirements, Air Nova available aircraft will be placed into service **as soon as** possible.

5) **Days Off**

Any pilots holding a Reserve block will be planned for 10 days **off** per month (prorated) during the spool up **period**.

6) **Conduct**

The parties agree that a spirit of cooperation and professionalism is **essential** for **mutual** benefit, in the public interest, **and** for the intent **and** purpose of **this** Protocol.

7) **Vacation**

Vacation will be scheduled **as awarded** during the spool up **period** with an optional cash pay out available upon mutual agreement. **Any** vacation assigned during **the work** disruption is **subject** to cash payment or reassignment **as per section 24-7** by **mutual** agreement.

8) **Benefits**

All benefits/allowances **as outlined in the Collective Agreement** will be reinstated upon ratification of the Collective Agreement. **Any** pilot who is in arrears With respect to benefit cost sharing or other accounts owing, will have these **amounts** deducted from any retroactive **pay**. If retroactive pay is insufficient, **payroll** deductions will **be** made on obligations over the **first three pays**. No pilot will be **penalized** for use of **RRSP** contributions during the work stoppage and every effort will be **made** by the pilot to repay his RRSP plan. However, pilots who have withdrawn more than \$5,000.00, will repay the amount over \$5,000.00 **within 21 days** of ratification in order to avoid the **penalty** for contribution withdrawal.